



COMMUNITY DEVELOPMENT DIVISION Community Development Board - Meeting Minutes

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Regular Meeting of the Community Development Board February 2, 2021

Board Members Present: Rebecca Noell, Katrina Kruger, Jim Corson, Jessica Schmidt, Shane Noble, Joe Stockburger, Hannah Olson, Council Member Denise Joy

Board Members Excused: Bret Rutherford, Laura Gittings-Carlson

Staff Present: Brenda Beckett, Dina Harmon, Tam Rodier, Carly Collins

Welcome / Introductions / Announcements: The Community Development (CD) Board met via virtual videoconference as scheduled. Board Chair, Rebecca Noell, called the meeting to order at approximately 3:00pm.

Public Comment: No public comment.

Meeting Minutes: Board member, Jim Corson, moved to approve the January meeting minutes. Board member, Shane Noble, seconded the motion. A vote was taken, and the minutes were approved unanimously.

Staff Reports:

- **Foreclosure Acquisition / Housing Rehabilitation Program:** The Request for Proposals on the 930 Steffanich property is advertised on the City website and will remain open until a contract can be executed. No proposals have been submitted. Staff will continue to review options for how to move forward with this project.

Construction at the 817 N. 22nd Street property is nearly complete. Staff provided answers to questions posed at the last meeting including purchase price, lot square footage, and costs of the project to date. Staff will order an after-rehab appraisal as soon as the punch list has been completed. Staff offered for the board to do a walk-through in person, which will be scheduled immediately following the March meeting.
- **Housing Rehabilitation:** Two new applications were received in January. There is funding available to assist one or two more properties during this fiscal year.
- **First Time Home Buyer Program:** The program has four pending closings scheduled for the next couple of weeks, and applications are received regularly. There is funding available to assist several more households. Jim Corson asked how much assistance applicants receive. Staff explained that households with annual incomes below 60% of the Area Median Income (AMI) receive a loan up to \$15,000, and households above 60% but below 80% AMI can receive up to \$10,000. These loans are designed to cover closing costs first, then down payment assistance. Loans must be repaid to the City if the applicant sells the property, refinances, or uses the residence as a rental.
- **Affordable Housing Development:** The NeighborWorks project at the C & C Resident Owned Community (ROC) is moving forward. Additional reimbursements for the project have been processed and items are being prepared for bidding. City permits are prepared, and an internal review of the plans and drainage report is underway.
- **Billings-Metro VISTA Project:** Two new AmeriCorps VISTA Members will be starting service terms on February 16th. Staff will send out VISTA bios for our new members following the meeting. Current members organized and participated in a variety of direct service projects for the MLK Day of Service in January. Several new Host Sites submitted proposals for new VISTA projects starting in July / August. Jim Corson suggested that if Board Members have information about potential new Host Sites, please contact Carly Collins.

Housing Rehab Program Denial Grievance: Staff presented a timeline of the application process and reason for denial. The applicant is appealing program eligibility, which is a disagreement with staff's decision, unrelated to discrimination. Staff indicated that if the CD Board upholds the staff's decision, the applicant has the option to present an appeal for review at a City Council meeting. Board Chair, Rebecca Noell, asked if it is the position of staff that we need to review the grievance further, with the understanding that the staff's decision was to deny the application. Shane Noble asked if the applicant has indicated whether they will have legal representation. Staff did not have any additional information about this.

Jim Corson moved for the CD Board to uphold staff's decision on the denial. Board Member, Hannah Olson, seconded the motion. A vote was taken, and the decision to uphold the denial was unanimous.

Review Applications: Brenda Beckett emailed the applications for FY 2021-2022 Community Development Proposed Activities for the Board to review. Staff reviewed the proposed activities and funding for current programs. The Board will have the opportunity to review applications prior to next month's meeting.

Staff proposed that CDBG and HOME Administration be funded at the 20% maximum amount. There are no current CHDO (Community Housing Development Organizations) development applications pending outside of the C&C ROC.

The Housing Rehabilitation Loan Program proposes to assist 4 households, but staff is also reviewing this program as applications have been low in recent years. Brenda offered for the Board to discuss this program with staff and provide recommendations going forward. The number of assisted households may be lowered, and funding recommendations can change in the future.

There were no changes to the First Time Home Buyer Program. Staff proposes to assist 35 households. There may be changes in the future if there are ongoing issues about affordability or availability of units. In the Foreclosure Acquisition / Rehabilitation Loan Program, funding for one household was proposed. When properties are sold, some funding is returned to the City as Program Income and can be used for future projects.

The Billings Metro VISTA Project proposes to assist 200 individuals and the division's financial commitment is around \$63,000. The proposed funding will allow for some flexibility in case of grant extensions or changes in the future. The Project is moving out of a project grant status to a support grant. Staff support will be a little lower as a result and staff time / admin costs will be less as well. Staff reviewed an updated valuation of the VISTA program, which totals over \$9.5 million.

Project Activity Summary, Preliminary Revenues: This report was postponed until staff has determined specific HUD allocations for the City and can evaluate current program budgets for accurate program allocations.

Community Development Block Grant COVID-19 (CDBG-CV) / CARES Act Funding: Staff continues to review possible duplicated funding sources. Staff will prepare a report of potential funding priorities after completing this review. The CD Board will submit recommendations prior to moving through the development of the application process.

Brenda Beckett mentioned that HRDC is using CARES Act funding to supplement their energy assistance programs, so this will not be an eligible allocation. There may be a way to work out with HUD to extend income eligibility guidelines for some of their programs, but HUD must be consulted on this. Tam Rodier reported that because the City of Billings manages water and utility bills, a conflict of interest exists, and would not be an eligible allocation. Rebecca Noell asked about assisting other CHDOs like NeighborWorks Montana to establish more ROCs. Brenda mentioned CDBG-CV funds cannot be used to develop affordable housing because it does not directly impact the coronavirus (requirement is that activities must prevent, prepare for or respond to Coronavirus). As far as property disposition goes, if property is developed that is specific to coronavirus, but is later used for other reasons, the funding must be returned as it has been a "change of use." The state has already allocated funds for

many opportunities, so the field is narrowing. In addition, Brenda noted that HUD waivers are mostly related to expediting fund use – there is no waiver for environmental reviews, social justice reviews, lead based paint, etc. All other regulations are still in place.

Jim Corson asked if it is possible to use CDBG-CV funds to enhance cleaning of restrooms in parks and playgrounds. Brenda expressed that it would have to be a higher cleaning standard than is currently in place but could potentially be a funding recommendation. With the Board's recommendation, Brenda will work with City administration to approach other City departments and discuss what ideas or unmet needs they have had in relation to responding to coronavirus. Board Member, Katrina Kruger, noted that the funding aspect of handwashing stations could be a challenge, as it may not be proven to benefit the low-income population. Brenda added that other cities have tiered their application process to fund different opportunities at different times.

Neighborhood Concerns and Happenings: Jim Corson mentioned that he has several Montana Legislative Guides to distribute to CD Board Members and he will arrange to provide them for anyone interested.

Next Meeting: Board Chair, Rebecca Noell adjourned the meeting at approximately 3:45pm. The next meeting will be held on March 2, 2021.