



COMMUNITY DEVELOPMENT DIVISION Community Development Board - Meeting Minutes

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Regular Meeting of the Community Development Board May 2, 2023

Board Members Present: Rebecca Noell, Jim Corson, Kathleen Candelaria, Shane Noble, Joe Stockburger, James Allen

Board Members Excused: Erica Doornek, Jenna Martin

Absent: None

City Council Representatives: Denise Joy, Mayor Bill Cole

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

Guest: Steve Simonson, Government Affairs Director, Billings Association of Realtors (BAR)

Welcome / Introductions / Announcements: The Community Development (CD) Board met in the 6th Floor Conference Room of the Miller Building. Board Chair Rebecca Noell called the meeting to order at 3:00 p.m.

Announcements: Mayor Cole thanked CD Board members for their service.

Steve Simonson said CD Board Members are welcome to attend the BAR's Housing Summit 3 from 1:00 to 5:00 p.m. on May 22, 2023, at the Billings Hotel & Convention Center. During the session, there will be a presentation on the Midland Empire Land Trust.

Public Comment: None.

Meeting Minutes: Board member Jim Corson made a motion to approve the April 4, 2023, minutes as written and distributed. Board member Kathleen Candelaria seconded the motion. There was no additional discussion. A vote was taken, and the April 4, 2023, minutes were unanimously approved.

Staff Reports:

- **First Time Home Buyer Program (FTHB):** Dina Harmon reported she has one closing coming up this Friday. Applications continue to come in, but the applications are not converting to closings. One issue may be that there are so few homes available under HUD's maximum purchase price limit.
- **Affordable Housing Development Program:** Dina Harmon said no applications have been received.
- **Foreclosure Acquisition / Housing Rehabilitation Program:** Tam Rodier shared a slide show showing the Steffanich progress to date. The home is scheduled to be set tomorrow. She hand delivered postcards to homes surrounding the property and those to the east to give them some advance notice. The project continues to move forward toward completion by June 30, 2023. Mayor Cole suggested that when the project is complete, a couple of before and after pictures should be sent to City Council members along with a couple of sentences about the positive impact foreclosure projects have on neighborhoods.

Tam added that she checks the HUD.gov/HUDhomes website daily looking for available properties. She has also been in touch with HUD's local agent. The local agent is optimistic foreclosure properties in Billings may be listed soon. Tam said she is prepared to jump on properties as soon as they are listed.

- **CDBG / CDBG-CV Parks Projects:** Tam gave the following project updates.
 - Comanche Park:
 - Shared a slide show showing the progress to date.
 - The Request for Quotes (RFQ) for street paving has been distributed and quotes are due soon.
 - The CPTED Project has been awarded to 3 Bull Contracting, LLC and the contract and final work list are being negotiated now. Most of the work will be completed this summer, but there is a 26-week lead time for the light poles. The contractor will likely pour the bases this summer and the poles and lights will be bolted on when they arrive sometime around Thanksgiving.
 - North Park:
 - Tam made a presentation to the North Park Task Force April 5.
 - The RFQ for restroom demo and site prep work has gone out; responses due May 5.
 - The new 4-room pre-fabricated restroom is anticipated to arrive late June to early July.
 - The RFQ for site improvements for the adult exercise pod and existing shelter demo has gone out; responses due May 12th.
 - The adult exercise equipment is estimated to arrive June 29.
 - The RFQ for the North Park adult exercise pod and shelter installation has gone out; responses due May 12th.
 - The North Park Center HVAC and accessibility improvements RFQ will be going out very soon.
 - Pioneer Park – The RFQ for the following is will be going out very soon:
 - Restroom water intrusion mitigation and accessibility improvements.
 - Zimmerman Center accessibility improvements.

Mayor Cole shared that the Parks, Recreation & Public Lands Department is developing a “mobile rec unit” that will be taken to small parks as a pilot project this summer.

- **Billings Metro VISTA Project (BMVP):** Carly Collins said that recruitment is in progress, but it is slow. However, she currently has offers out to one full-year and one summer associate.

She hosted a quarterly supervisor meeting recently.

She is gearing up to do host site monitoring.

She is working with trainer Shannon Stober to design and schedule in-service training for VISTAs in June.

- **HOME-ARP Allocation Plan:** Carly Collins reported the City’s HUD representative asked for a few clarifications on the Allocation Plan submitted at the end of March. In response, she made a few changes (tweaked some dollar amounts and got rid of the preferences section). She has been told the Allocation Plan has been unofficially approved; she is waiting for the official notification.

Next steps will be to establish policies and procedures, verify eligibility details, and develop an online application. Brenda suggested CD Board members may be interested in participating in a focus group / work

team before the launch. She said CD Board input will be critical because members typically ask the “hard questions” that will help guide the process.

Annual Action Plan (AAP) & Allocation Process Review: Brenda Beckett said she will finalize the AAP and get it submitted to HUD as soon as possible. She clarified that the majority of the funds are earmarked for affordable housing development. She asked if anyone had suggestions for handling the Annual Action Plan process differently next year. No suggestions were made.

Changes to First-Time Home Buyer Program: Dina Harmon said there have been very few closings this year, but applications continue to be submitted. Many applications received are incomplete or lack income documentation. Running down the missing information and/or income documentation requires significant staff time. She is therefore proposing a “soft approval process,” meaning that when the applicant finds a home, all required information and income documentation will be required before proceeding. Brenda commented there have been about 35 applications received so far this year, but there have only been 6 closings. Staff time can only be charged to addresses that actually close. She added that approvals are only good for six months, so Dina often has to verify income multiple times.

Board members discussed that higher interest rates and the lack of available homes under \$250,000 may be contributing factors in the reduced number of closings. It was also pointed out that while some listing prices have been reduced, many are still selling for nearly the full original asking price.

Board members expressed approval of the new “soft approval” process because it will require applicants to provide complete applications and income documentation.

Brenda said she expects to receive some complaints and/or pushback.

CDBG Timeliness: Brenda reported that the City failed the CDBG timeliness test today. She is working on a “workout plan” to submit to HUD. Because we have many projects in the works now, she thinks the City will likely be OK. However, if the City cannot expend enough money relatively soon, HUD may reduce the City’s annual entitlement allocation or take back previously allocated funds.

On the HOME side, there is currently \$1 million available. HOME funding may only be used for housing. Timeliness is not as strict under HOME as it is for CDBG. The HOME expenditure deadline is generally six years; however, Brenda said she has found it hard to get a list of waivers from HUD for HOME commitment and expenditures passed for many consecutive years by Congress. She also noted that if the City were to use Tenant-based Rental Assistance (TBRA) in conjunction with HOME-ARP, it would require monthly reporting in HUD’s Integrated Disbursement and Information System (IDIS) and is staff-time intensive.

Brenda said the City needs to receive one or more Affordable Housing Development applications to spend over \$1.6 million in combined CDBG and HOME funding or we will need to move the money to other shovel-ready projects. She has a few ideas floating around in her head (e.g., infrastructure, parks improvements, etc.) and may flesh out those ideas to discuss with the Board at a future meeting.

New Program Concept – Vacant Land: Dina stated there are simply not enough homes on the market that would be affordable for low-income homebuyers to purchase. She has been watching the Steffanich project, and it seems to be going well. She is therefore exploring the idea of purchasing vacant land, in the \$40,000 range, and placing modular homes on them for FTHBs. The land would need to be zoned for modular homes and the homes must be placed on a permanent foundation. Brenda added that CDBG funds could be used to purchase the land and HOME funds could be used to buy the modular unit. Dina said the process would need to be reviewed and approved by the CD Board and the City Council. The City Council might approve a Resolution allowing the City Administrator to purchase land when it becomes available and meets established criteria. An open Request for Proposal process must

be used to purchase the modular homes. Brenda noted that the properties would undergo historic and environmental review and appropriateness for placement of modular housing units prior to purchase.

This will be discussed further at the June meeting. In the meantime, staff will start drafting a list of criteria, policies and procedures, timelines, etc.

June / July Meetings: Rebecca noted that the June and July meetings have been cancelled in the past, however based on today's discussions, she said all should plan to attend the June 6 meeting.

Neighborhood Concerns & Happenings:

Mayor Cole noted the following:

- “The City Council sees the whole world through the lens of public safety.”
- He would like to get each City Council member to attend a CD Board meeting at least once a year.
- Commented that the City Council recently enacted a “remote participation” policy that also applies to Boards and Commissions.
- There is currently one vacancy on the CD Board. He encouraged CD Board members to make recommendations to him.
- The Legislature is discussing smaller size lots and Accessory Dwelling Units (ADUs). He suggested that perhaps the City could use a professional third party to handle ADU rentals.

Wyeth Friday said:

- He asked HomeFront's VISTA to ensure all CD Board members receive an invite to the Housing Strategy Forum, May 10, 11:00am-2:00 pm in the Library Community Room.
- The Downtown Business Improvement District recently executed a contract with a contractor to install the Portland Loo on 2nd Avenue N adjacent to the Park 3 Garage and alley.
- If the Legislature passes the bill, and the Governor signs it, Single-Family Residential Zoning would go away. At least two units per lot would be allowed.
- VISTA alum Nick Fonte recently became the third downtown police officer.

Next Meeting: Board Chair Rebecca Noell adjourned the meeting at approximately 4:55 p.m. The next regular in-person meeting will be held at 3:00 p.m. on June 6, 2023.