

Community Development Board
Meeting Minutes
April 7, 2009

Members Present: Jim Hartung, Sandy Weiss, Emily Shaffer, Kamber Parker, Duane Loken, Uriah Edmunds, David Goodridge

Members Absent and Excused: Kathy Walters

Staff Present: Brenda Beckett, Lynda Woods, Dina Billington, Doris Cole

Others Present: See Public Comment Section

The meeting was called to order at 9:08 a.m. by Chair Loken who asked for any announcements. Beckett announced that Goodridge would be ½ hour late and that Walters would not be here. Loken then announced the opening of the public comment period and that the board would follow the City Council rules for public comment which limits each speaker to a maximum of three (3) minutes to speak.

Public Comment Period: The following individuals commented on the Washington Street Infrastructure application:

1. **Steve Sullivan**, 221 Washington Street, city resident – against the water line because nobody is going to hook up to it. There is plenty of water, good wells, filtering systems in place. Believes project will only benefit one person. Would like to see funding benefit more people who need it. Request Board vote against the project.
2. **Bob Pappin**, 2039 Avenue B – member of the Plumbers and Pipefitters Union, 320 members that own property adjacent to proposed project. Union opposed to the project since the beginning. Although the union property is in the county, all 320 members live in the city and are opposed to the water line because nobody is going to connect to it except one individual.
3. **Jackie Schilling**, 455 Washington Street – Not against change but wants change the right way. Concerned about no yard, parking lot will overflow, density too much. Would like to see the area built up instead of tearing it down.
4. **Jeff Lesmeister**, 355 Washington Street – lives in county and property butts up against the proposed project. Distributed pictures of his property. Concerned about crime, high density. Opposed to project. Wants his privacy and space.
5. **Leanne Williams**, 709 Washington Street – No problem with low-income people. Concerned for her kids and their safety with the traffic. Too much density. Too many kids tearing up the neighborhood, no place to play and be safe.
6. **Dan Jellison**, 720 Washington Street – owns the Dan Wait Botanical Gardens. Has 8 wells. One thing the neighborhood does not need is more water. Can hit water when digging a post hole. Totally against project and neighbors are taking a strong stand against it.

7. **Alan Rennich**, 4029 Kratz Lane – property is directly across from proposed project and feels \$108,000 can be better spent somewhere else.
8. **Scott Miles**, 545 Washington Street – stated that the Southwest Corridor Task Force is opposed to the project as well as two Council members. Opposes any public funds for this project.
9. **Clyde Lees**, 465 Washington Street, county resident – Concerned for the safety of the neighborhood because of the density. So much in so small of an area. Would like to see less density. Appreciates efforts of the city in this matter.

A list of additional attendees is attached to these minutes.

The public comment period ended at 9:30 a.m. Loken suggested moving the Washington Street water line forward on the agenda. ***A motion was made by Weiss, seconded by Parker to move the Washington Street water issue up for discussion at this time. The motion was approved unanimously.***

Beckett discussed city funding mechanisms. The city has funded private individuals, private developers, for-profit developers, etc. The city has provided bond financing in the past. These are acceptable uses of HOME and CDBG funds by HUD as long as the goals of the city's Consolidated Plan are met. An example of historical CDBG funding is the Rental Rehab program which provided private landlords funding for improvements if they assured affordable rents. Kings Green is an example of HOME funding for the benefit of a for-profit developer because they are developing affordable housing. HOME Investment Partnership (HOME) funding is used to subsidize for profit developers who are developing affordable housing, which is common practice.

Staff writes applications for private individuals, private non-profits, and for-profit organizations in support of affordable housing goals and to benefit low-mod income area people. A good example is the Central-Terry PCE education campaign that is being reallocated this year. Staff wrote the application in support of that campaign. Staff has also written task force applications that are private groups of individuals (not non-profit organizations) serving a low-mod income area. Staff writes these applications because of the excellent public comment period they adhere to - the application is the beginning of a five month allocation process. Beckett noted that the public comment period on the Consolidated Plan will begin on April 10 and lasts until May 11th. She noted that staff attends lots of meetings to receive public input prior to the public comment period. She then noted that the City Council has interest in funding more infrastructure projects. The goal of the Washington Street application was to get neighborhood response to the project and we received a great response. It is the goal of the Community Development Division to decrease barriers to affordable housing development, to increase infrastructure construction in low-mod income areas, increase developer access to funding for development in low-mod income areas, and to provide support for low-mod income areas.

Beckett noted that the board also supports the wishes of the neighbors and that six of the nine members are from low-moderate income areas. She then discussed four alternatives to this application: a) fund the water line with no contingencies or conditions; b) fund project with

contingencies such as linking it to zoning regulations; c) link water line to the affordability of a unit; or d) not fund the project and fund the Affordable Housing Development program.

She then discussed the Affordable Housing Development program which was discussed later in the meeting. Beckett then discussed saving funds for future projects. She noted that HUD regulations require that no more than 150% of the last year's CDBG allocation be held in HUD's bank at the beginning of May each year. HUD's regulations prevent us from holding more than 150% of last year's allocation in HUD's bank account and may withhold future funds if the timeliness issue is not met.

After further board discussion, ***Shaffer moved that the board not approve the Washington Street application at this time and, when the board gets through its allocation process, if there is funding available that it go into the Affordable Housing Program. Motion was seconded by Hartung. Motion passed unanimously.***

Break for 15 minutes. Meeting reconvened at 10:17 am.

Minutes: Delayed until May 5, 2009.

Affordable Housing Development Program Guidelines/Applications: *In preparation for HOME technical assistance in February, staff prepared a more comprehensive application guidebook and application for the Affordable Housing Development Program. This item will be set as an action item on May 5th for adoption for future applications.*

Billington discussed the changes to the Affordable Housing Development Program. The old application was not very user friendly and asked for redundant information. Hartung commented on the volume of paperwork that the board has recently received and noted that he would appreciate additional time to read the documents so the board can make an informed decision.

Billington noted that the changes came from the HUD HOME audit and that the auditor is continuing to work on documents and will have more documents in the future. Hartung requested that, when changes are made, the old document accompany the new one so that the board is aware of what changed.

Hartung then moved that all CD Board documents be sent two weeks in advance of the meeting so that the board has chance to review the documents. Shaffer seconded the motion. After further discussion, the motion was approved unanimously.

AmeriCorps VISTA Project Concept/Application: *An opportunity for staff to present the VISTA Project Concept for an application due to the Corporation for National and Community Service on April 19. The project application will be presented to the City Council during a work session on April 6th and will be presented for action on April 13.*

Beckett discussed the AmeriCorps VISTA application for the city. The Federal government has allocated, through the Obama administration, funding for community capacity building through AmeriCorps and other volunteer program and is governed by the American Domestic Volunteer Act. Direct services are not an option but VISTAs can be used in capacity building.

See PowerPoint Presentation attached. She noted that the application is due in Helena on April 20, 2009. By informal consent, the CD Board gave their blessing to the project.

Consolidated Plan Review and Approval: *An opportunity to discuss the FY2009-2010 Consolidated Plan / Action Plan. This is the fifth year for the FY2005-2009 Consolidated Plan. The drafted Action Plan was previously provided to the CD Board in February.*

Beckett noted that the draft Consolidated Plan will be on the city website on Friday, April 9th, and asked the board to review the document. She noted that comments are being taken by the division until May 11.

Staff Recommendations Review: *Staff had an opportunity to review the project requests and has made some recommendations regarding funding Housing and Neighborhood Activities. City staff does not make recommendations regarding Public Service activities.*

Beckett discussed the projected revenues for FY2009-2010 and staff recommendations.

Budget Recommendations: *The CD Board will discuss CDBG and HOME applications in order to make funding recommendations for City Council's review / approval.*

Loken referred to the 8-1/2 x 14 worksheet for amounts requested, staff recommendations and board recommendations. After discussion of the projects, the board recommended not funding the Washington Infrastructure project and opted to distribute \$108,000 to Housing Rehab, First Time Home Buyer, and Affordable Housing.

CD BOARD RECOMMENDATIONS
HOUSING & NEIGHBORHOOD ACTIVITIES
2009-2010

CDBG/HOME GRANT HISTORY			2007-2008	2008-2009	2009-2010	Staff Recommendation		CD Board Preliminary Recommendation	
					ONE YEAR Requests	CDBG	HOME	CDBG	HOME
Admin / Planning	HN - 1	CDBG Administration	\$168,592	\$156,950	\$175,000	\$168,821	-	\$168,821	-
	HN - 2	HOME Administration	\$67,489	\$62,921	\$65,000	-	\$50,000	-	\$50,000
	HN - 3	Professional Services	\$0	\$0	\$25,000	\$0	-	\$0	-
Affordable Housing Activities	HN - 4	Housing Rehabilitation Loan Program	\$287,207	\$300,000	\$300,000	\$262,633	-	\$300,000	-
	HN - 5	HOME/CDBG Affordable Housing Support	\$300,000	\$200,000	\$300,000	\$100,000	\$150,000	\$150,000	\$150,000
	HN - 6	First Time Home Buyer Program	\$341,329	\$283,690	\$450,000	\$100,000	\$325,980	\$120,633	\$325,980
	HN - 7	Set-Aside for CHDOs - min. must be 15% of HOME	\$75,126	\$72,594	\$75,000	-	\$81,000	-	\$81,000
	HN - 8	Neighborhood Stabilization Program	\$0	\$0	\$50,000	\$50,000	-	\$50,000	-
	HN - 9	Living Independently for Today & Tomorrow	\$12,500	\$12,500	\$30,000	\$12,500	-	\$12,500	-
	HN - 10	Rebuilding Together	\$10,000	\$10,000	\$10,000	\$10,000	-	\$10,000	-
	HN - 11	Paint Program - Revised for FY09-10	\$0	\$0	\$10,000	\$10,000	-	\$10,000	-
	HN - 12	Property Management - Including NSP Properties	\$8,000	\$5,000	\$20,000	\$15,000	-	\$15,000	-
Neighborhood Activities	HN - 13	Special Assessment Grants	\$47,500	\$44,796	\$50,000	\$25,000	-	\$25,000	-
	HN - 14	Washington Street Infrastructure - Water Line	\$0	\$0	\$108,000	\$108,000	-	\$0	-
Total Funded (includes projects not listed):			\$1,470,243	\$1,148,451	\$1,668,000	\$861,954	\$606,980	\$861,954	\$606,980
Total Available:						\$861,954	\$606,980	\$861,954	\$606,980

The board then discussed the public services applications. See attached worksheet for details. A vote was taken to rank the applicants and discussion followed for each applicant regarding funding recommendations. Tentative recommendations are as follows:

CD BOARD RECOMMENDATIONS
PUBLIC SERVICE ACTIVITIES
2009-2010

CDBG GRANT HISTORY			2007-2008	2008-2009	THREE YEAR Requests	CD Board Preliminary Recommendation
PUBLIC SERVICES	PS - 1	Boys & Girls Club - Gang Prevention Project	\$3,300	\$0	\$30,000	\$0
	PS - 2	Community Housing Resource Board	\$6,600	\$5,000	\$15,000	\$0
	PS - 3	Crisis Center - Seeds of Success	\$0	\$0	\$22,477	\$0
	PS - 4	Forever Families	\$8,250	\$0	\$30,000	\$22,634
	PS - 5	Housing Montana	\$0	\$0	\$30,000	\$0
	PS - 6	HRDC - Growth Thru Art & Various Programs, FY09-10 Application is for Emergency Services	\$6,600	\$5,000	\$30,000	\$0
			\$4,125 <i>IDAs</i>	\$8,000 <i>Harmony</i>		
	PS - 7	Interfaith Hospitality Network	\$0	\$0	\$30,000	\$0
	PS - 8	Project Homeless Connect	\$0	\$0	\$30,000	\$0
	PS - 9	Scottish Rite Clinic - Pediatric Therapy	\$0	\$5,000	\$26,000	\$0
	PS - 10	Southgate Cop Shop	\$4,125	\$2,000	\$15,000	\$0
	PS - 11	Volunteers of America - Independence Hall	\$0	\$0	\$30,000	\$22,634
	PS - 12	Yellowstone Health Partnership - Med Assistance Program	\$7,425	\$7,431	\$27,000	\$27,000
	PS - 13	Young Families Early Head Start	\$7,425	\$15,000	\$30,000	\$30,000
	PS - 14	YWCA Gateway House	\$6,600	\$6,600	\$20,000	\$20,000
Total Funded (includes projects not listed):			\$136,111	\$118,081	\$365,477	\$122,268
Total Available:						\$122,268

Nationally, CDBG funding allocations have increased by 1% and HOME funding by 11%. Entitlement communities may not receive allocation increases. Therefore, staff and Community Development Board recommend utilizing conservative estimates for budget allocations yet to be determined by the U.S. Department of Housing and Urban Development.

	CDBG	HOME
Final Revenue 08-09 (current year)	\$701,191	\$483,959
National Increases	1%	11%
Preliminary Estimates	\$710,657	\$537,195
BUDGET BASELINES	\$700,000	\$500,000

Additional Recommendations:

CDBG funding allocated over the estimated \$700,000 budget baseline is recommended for allocation to support Administration and Professional Services costs within the limits of the 20% administration cap (maximum estimated at \$2,131).

Additional funding eligible for Public Services (maximum estimated at \$1,599) is recommended for equal division and allocation to Forever Families and Volunteers of America in compliance with the 15% maximum Public Services cap (\$799 each).

HOME funding allocated over the estimated \$500,000 budget baseline is recommended for allocation to support Administration costs as per the 10% administration cap (maximum estimated at \$3,720).

Allocation recommendations for Community Housing Development Organizations (CHDOs) have been based on the maximum estimate for HOME allocation, and must be a minimum of 15% of the new HOME allocation for the year (15% of \$537,195 is \$80,579, therefore the recommendation for CHDO budget is \$81,000).

Remaining CDBG and HOME funding is recommended for allocation to the First Time Homebuyer Program (CDBG maximum estimated at \$6,927 and HOME \$33,475), which is expected to assist an additional five homebuyers.

Final approval vote on these funding recommendations will be at the regular May 5, 2009, Community Development Board meeting.

Staff Reports: *Staff will report on current programs and progress to date on projects.*

The monthly staff report was distributed. Beckett went over the remaining schedule for the budget cycle.

- April 20 – Council work session at 5:30 p.m.
- April 27 – Public hearing on the preliminary recommendations
- May 5 – CD Board meeting to approve funding recommendations and other items from April 7th meeting.
- May 11 – City Council approval of Housing/Neighborhood and Public Service Activities.
- May 15 – Consolidated Plan to HUD

Neighborhood Concerns: *Opportunity for board members to share information or concerns.*

Weiss reported that the graffiti at the corner of 5th and Grand has been cleaned up. Several students spent the day painting everything.

The Easter Egg Hunts for South Side and Southwest Corridor were announced.

Set Next Meeting Agenda and Adjournment: The next regular meeting will be May 5, 2009 at 3:00 p.m. Meeting adjourned at 12:45 p.m.