

Community Development Board
Meeting Minutes
January 4, 2011

Board Members Present: Kamber Kelly, Jim Hartung, Patt Leikam, Tom Mahlen, and Emily Shaffer

Board Members Excused: David Goodridge, Kathleen Candelaria

Staff Present: Candi Beaudry, Brenda Beckett, Dina Billington, and Doris Cole

Others Present: John Felton, Stewart Kirkpatrick, and Judy Stewart representing RiverStone Health

Welcome / Introduction / Announcements: The meeting was called to order by Jim Hartung, vice chair, and introductions were made with special acknowledgement of the newest Board member, Patt Leikam.

Meeting Minutes: Minutes were postponed until later in the meeting due to a lack of quorum and the possibility of additional members attending.

Staff Reports: Beckett reported that the Fair Housing Initiatives Program (FHIP) grant application was submitted to HUD on December 21, 2010. The application included the following partnering organizations: Community Housing Resource Board (CHRB), Interfaith Hospitality Network (IHN), Billings Partners for American Indian Homeownership (BPAIH), Yellowstone AIDS Project (YAP), Rimrock Foundation, and Self Help Law Center (SHLC). The requested grant amount is \$125,000 and the project start date was identified as March 1 in the application. The city expects to receive notification of grant award within a few months. This application is usually awarded in the fall; however because the SuperNOFA had extensive changes in 2010, the deadline was later in 2010. The Notice of Federal Opportunity (NOFA) is expected to be out sometime in March, with the SuperNOFA scheduled for early summer. The Community Development Division is currently seeking partners for 2011 FHIP application.

Election of Officers: Tabled until additional members arrive.

Block 142, Lots 9-12: Beckett gave a brief history of the vacant land noting that it was originally part of a land swap with Yellowstone County for RiverStone Health for city-owned property on South 27th Street. Montana Rescue Mission (MRM) then acquired the land from the city with a five-year build or revert clause. Since MRM did not build on the land within the 5-year period, the property reverted to the city in January 2010. RiverStone Health then approached the city to acquire the land through a donation. John Felton noted that RiverStone changed its name from City/County Health to its current name and is still the government-owned city/county health department. This acquisition of land would be an inter-governmental transfer for the health district which includes Yellowstone County, the City of Billings, and the City of Laurel. RiverStone is concerned about being land-locked at its current location and would like to acquire the property for future development. They are also looking to acquire the rest of Block 142, Lots 1-8, which currently belongs to MRM. Stewart Kirkpatrick noted that there is only one vacant room available in the new building that was just completed so they are growing faster than anticipated. In 2005, their number one priority is to have a single campus for all city/county health department offices.

Block 142, Lots 9-12 have an approximate current value of \$35,000. Discussion was held regarding selling the property for \$30,000 or gifting the property to RiverStone.

Discussion: It was noted that, if \$30,000 is received for the purchase of this land, it will be considered CDBG program income and will be available for reallocation just as any program income. Felton noted that RiverStone Health is a governmental agency and is not like other hospitals. Their funding is governmental and they serve the poorest of the poor. All fees are on a sliding scale and, if they paid \$30,000 for the property, it would mean less funding for patient care. Judy Stewart noted that they have other grant opportunities to cover patient care / direct services but not to cover administrative costs.

RiverStone is asking for no deed restrictions on this land donation because a quick development of, say, a parking lot in order to keep the land may not be the best use of the land and is a waste of both land and funding. It is hard to predict how that land will be utilized in the next 5-10 years and a restriction would not give clear title. It takes time to develop a quality campus for the long term. Also, federal grants impose all kinds of restrictions on what you can do with federal interest in property and facilities. Anything that muddies title can cause issues with future federal grant funding.

Motion: Patt Leikam moved that the board recommend that City Council transfer Block 142, Lots 9-12 to RiverStone Health without a \$30,000 commitment based on the fact that this transfer is an inter-governmental transaction. Motion dies for lack of a second.

Shaffer is not in favor of just giving anything away without receiving some money back. She feels everyone needs to pay their way and that she is in favor of a purchase price of \$30,000 or the fair market value. Kelly has a problem with not putting into place a deed restriction especially since RiverStone is growing so rapidly. Beckett suggested a first right of refusal and no time restriction. RiverStone agreed that it would be easier to sell this idea to their board.

Motion: Leikam moved to transfer Block 142, Lots 9-12 to RiverStone Health without \$30,000 payment but with a restriction of first right of refusal to the City. Kelly seconded the motion. Motion passed 3 for and 2 opposed.

RiverStone representatives thanked the board for the opportunity for conversation. A clarification on the first right of refusal is that it should be contingent on the property remaining undeveloped. Once the property is developed, RiverStone can, if necessary, sell the property outright. If the property is not developed and is being disposed, the city will have first right to the property as a donation.

Minutes: Kelly moved that the minutes be approved as typed. Mahlen seconded the motion and it was passed unanimously.

Election of Officers: Kelly nominated Jim Hartung for Chair. Shaffer nominated Kamber Kelly for Vice Chair. ***Shaffer moved that nominations be closed. Mahlen seconded. A unanimous vote was made to accept Jim Hartung as Chair and Kamber Kelly as Vice Chair.***

VISTA Application: Beckett noted that our VISTA members are very hard working, amazing individuals. We were contacted by the federal field office to place two more VISTAs in January 2011, one at the Community Development office and one at the HUB. She noted that the upcoming application, if approved for funding, would be the program's third year. More has been accomplished during the first two years of the program than we ever thought possible. ***Kelly moved that staff complete a VISTA application for year 3 and allocate funding for support of the project. Leikam seconded the motion and it passed on a vote of 4 for and 1 abstention.***

Neighborhood Stabilization Program (NSP): Beckett reported that the three houses are progressing well and that she has been approached by KULR-8 TV for an interview regarding the program. Pictures have been taken of the houses both before and after rehab and will be available to the board at a later date.

Tentative Schedule: Discussion of the 2011 CD Board tentative schedule was made, noting that the July meeting may be canceled to give the board a break after the budget / application process. Hartung gave a brief overview of the allocation process over the next several months.

Neighborhood Concerns: None

Meeting adjourned at 4:45pm.