

Community Development Board
Meeting Minutes
March 31, 2008

Members Present: Kathy Walters, Kamber Kelly, Emily Shaffer, Jim Hartung, Sandy Weiss, Uriah Edmunds, Kathleen Gilluly, David Goodridge, Duane Loken

Others Present: Council Member Jim Ronquillo, Tim Hudson – Diamond Realty

Staff Present: Brenda Beckett, Dina Billington, Sarah McNamara, Doris Cole

The meeting was called to order Duane Loken. Acknowledgement was made of those present. Loken expressed his condolences to Emily Shaffer on the loss of her husband, Bill.

Public Comment Period: None.

Minutes: The minutes of the last meeting were approved unopposed as distributed on a motion made by Hartung, seconded by Weiss.

Kings Green Phase III – Response to Request for Proposals: Loken recused himself from this discussion and turned the meeting over to Goodridge. Billington reported that one proposal from Real Estate Dynamics was received in response to the RFP. The proposal is basically the same as Phase II, with all 14 homes available to low-moderate income households. Beckett noted that HOME regulations require that HOME funds must serve those at or below 80% area median income, so 100% of the homes will be affordable to qualifying households. Beckett also noted that the legal documents are being updated to conform to new state law.

Hartung made a motion to accept staff recommendation to award the contract to Real Estate Dynamics, Inc. to develop housing in Kings Green Subdivision Phase III. Gilluly seconded and the motion passed with Loken recused. The meeting was then turned over to Loken.

Consolidated Plan Review: Beckett discussed the draft FY2008-2009 Consolidated Plan/Action Plan. ***The draft Action Plan was approved on a motion by Walters and seconded by Weiss. Hartung abstained.***

Budget Recommendations: Before the budget recommendation process began, several board members recused themselves from voting on several applicants. They are:

- HN-5 – Affordable Housing Support – Duane Loken
- HN-6 – First Time Home Buyer Program – Kamber Kelly and David Goodridge
- HN-8 – Living Independently for Today and Tomorrow – Sandy Weiss and Kamber Kelly

- HN-9 – Yellowstone County Council on Aging Minor Home Repair – Kathleen Gilluly, Uriah Edmunds, and Sandy Weiss
- HN-12 – Housing Authority Lake Elmo Infrastructure Phase I – Duane Loken
- PS-1 – Big Sky Prevention of Elder Abuse - Kathleen Gilluly
- PS-2 – Big Sky Senior Helping Hands Program - Kathleen Gilluly
- PS-6 – homeWORD – Kamber Kelly
- PS-14 – Yellowstone County Council on Aging Resource Center – Kathleen Gilluly

A motion was made by Gilluly, seconded by Kelly, to fund HN-1 through HN-5 at staff recommendation. Motion approved unopposed.

A motion was made by Weiss, seconded by Walters, to fund HN-6 at staff recommendation. Motion passed unopposed.

A motion was made by Edmunds, seconded by Gilluly, to fund HN-7 at the staff recommended amount was approved unopposed.

A motion was made by Weiss, seconded by Kamber, to fund HN-8 and HN10 at the staff recommended amount was approved unopposed.

A motion was made by Edmunds, seconded by Weiss, to fund HN-9 at the staff recommended amount was approved unopposed.

A motion was made by Gilluly, seconded by Weiss, to fund HN-12 at the staff recommended amount was approved with one recusal.

A motion was made by Gilluly, seconded by Walters, to fund HN-18 at \$5,000 was approved unopposed.

A motion was made by Edmunds, seconded by Goodridge, to not fund HN-14 was approved with one opposed.

A motion was made by Weiss, seconded by Goodridge, to fund HN-13, HN-15, HN-16, and HN-17 at the staff recommended amount was approved with one opposed.

A motion was made by Kelly, seconded by Walters, to add an additional \$2,500 to HN-17 to bring it to \$52,500, was approved with two opposed.

A motion was made by Edmunds, seconded by Walters, to fund HN-6 with an additional \$50,000 and was approved with two opposed.

Discussion then ensued regarding the role of the Community Development Board in making funding recommendations. It was noted that this board is an advisory board only and that potential subrecipients have three opportunities to discuss their views on

the recommendations. These three opportunities are: Council Work Session; public hearings; and Council action.

PS-1 – A motion was made by Edmunds, seconded by Weiss, to fund PS-1 with the full \$12,000 requested was approved unopposed.

PS-2 – A motion was made by Walters, seconded by Shaffer, to fund PS-2 with \$15,000 was approved unopposed.

PS-3 – A motion was made by Shaffer, seconded by Gilluly, to fund PS-3 with \$6,000 was withdrawn for discussion later.

PS-4 – A motion was made by Kelly, seconded by Goodridge, to fund PS-4 for \$8,700. Motion failed on a 3-4 vote. Gilluly then made a motion to fund PS-4 with \$5,000. The motion was seconded by Shaffer and passed with two opposed.

PS-5 – A motion was made by Gilluly, seconded by Edmunds, to fund PS-5 with \$12,000 was approved with three opposed.

PS-6 – A motion was made by Kelly, seconded by Gilluly, to fund PS-6 with \$6,000 was approved with one opposed.

PS-8 – A motion was made by Edmunds to fund PS-8 at \$5,000. Motion died for lack of a second. Weiss then moved that PS-8 be funded at \$8,000. Walters seconded the motion, which passed with one opposed.

PS-9 – A motion, made by Gilluly, seconded by Walters, to fund PS-9 at \$5,000 was approved with one opposed.

PS-10 – A motion, made by Gilluly, seconded by Hartung, to fund PS-10 at \$3,000 failed in a tie vote. It was discussed that the board come back to this one later.

PS-11 - A motion, made by Gilluly, seconded by Kelly, to fund PS-11 at \$2,000 was approved unopposed.

PS-12 – Shaffer moved to fund PS-12 at \$5,000. Gilluly seconded the motion and it was approved with two opposed.

PS-13 – Walters made a motion, seconded by Kelly, to fund PS-13 at \$2,000. Motion failed in a tie vote. Walters amended her motion, seconded by Gilluly, to \$5,000, which passed with three opposed.

PS-14 – Edmunds made a motion, seconded by Hartung, to fund PS-14 at \$2,000. Motion passed with one opposed.

PS-15 – Shaffer made a motion, seconded by Gilluly, to fund PS-15 at \$9,000. Motion passed unopposed.

PS-17 – Kelly made a motion, seconded by Gilluly, to fund PS-16 at \$2,050. Motion passed unopposed.

PS-18 – Gilluly made a motion, seconded by Kelly, to fund PS-19 at \$6,600. Motion passed with one opposed.

PS-3 – Weiss gave a brief history of the CHRB and moved to fund them at \$9,000. Goodridge seconded the motion, which failed with five opposed. Goodridge made a motion, seconded by Gilluly, to fund CHRB at \$6,600. Motion passed with one opposed.

PS-16 – Goodridge made a motion, seconded by Edmunds, to fund PS-16 at \$15,000. Motion passed with one opposed.

PS-10 – Kelly, seconded by Gilluly, made a motion to fund PS-10 at \$2,000. Motion passed with three opposed.

PS-17 – Walters, seconded by Gilluly, made a motion to fund PS-17 at \$3,000. After further discussion, Walters withdrew her motion. Gilluly moved to fund PS-17 at \$6,600. Goodridge seconded the motion and it passed with one opposed.

PS-16 – Kelly move that PS-16 be funded at \$5,231. Gilluly seconded the motion and it passed with three opposed. With this motion, the total allocation to Young Families Early Head Start is \$20,231.

The CD Board recommendations are presented in the tables below.

<i>Admin / Planning</i>		<i>Requested</i>	<i>CDBG</i>	<i>HOME</i>
HN-1	CDBG Administration	\$175,000	\$156,950	-
HN-2	HOME Administration	\$60,000	-	\$62,921
<i>Affordable Housing Activities</i>				
HN-3	Housing Rehabilitation Loan Program	\$300,000	\$300,000	-
HN-4	Minor Home Repair Program	\$60,000	\$60,000	-
HN-5	HOME/CDBG Affordable Housing Support	\$400,000		\$200,000
HN-6	First Time Home Buyer Program	\$350,000		\$283,690
HN-7	Set-Aside for CHDOs - must be 15% of HOME funds	\$75,000	-	\$72,594
HN-8	Living Independently for Today & Tomorrow	\$12,500	\$12,500	-
HN-9	Yellowstone County Council on Aging - MHR Program	\$5,000	\$5,000	-

<i>Affordable Housing Activities</i>				
HN-10	Rebuilding Together	\$10,000	\$10,000	-
HN-12	Housing Authority - Lake Elmo Infrastructure Phase I	\$200,000	\$83,944	-
	Housing Authority - Lake Elmo Infrastructure Phase I	07-08 Funding:	\$116,056	
HN-13	Housing Authority - Section 8 Deposit Assistance	\$5,000	-	\$10,000
HN-14	HRDC - Affordable Housing Project	\$75,000	-	\$0
<i>Neighborhood Activities</i>				
HN-15	Property Management	\$5,000	\$5,000	-
HN-16	Special Assessment Grants	\$50,000	\$44,796	-
HN-17	Young Families Early Head Start - Building Addition	\$75,000	\$52,500	-
<i>Economic Development Activity</i>				
HN-18	Big Sky Economic Development Authority	\$10,000	\$5,000	-
		\$1,867,500	\$851,746	\$629,205
		Total Available:	\$735,690	\$629,205

PUBLIC SERVICE ACTIVITIES

FY 2008-2009

<i>CDBG GRANT HISTORY</i>		<i>Amount Requested</i>	<i>Recommend</i>
PUBLIC SERVICE ACTIVITIES	PS-1	Big Sky Prevention of Elder Abuse	\$12,000
	PS-2	Big Sky Senior Helping Hands Program	\$20,000
	PS-3	Community Housing Resource Board	\$13,630
	PS-4	Easter Seals - Play & Language for Autistic Youngsters	\$8,750
	PS-5	Friendship House - Summer Enrichment	\$15,000
	PS-6	homeWORD - Homebuyer Education	\$9,000
	PS-7	HRDC - Growth Thru Art	\$15,000
	PS-8	HRDC - Harmony House	\$15,000
	PS-9	Scottish Rite Clinic - Scholarship Program	\$12,000
	PS-10	Southgate Cop Shop	\$6,000
	PS-11	Task Force Enhancement Fund	\$5,000
	PS-12	Tree Trimming, Planting & Removal	\$15,000
	PS-13	Tumbleweed - Street Outreach Program	\$10,000
	PS-14	Yellowstone County Council on Aging - Resource Center	\$2,000
	PS-15	Yellowstone Health Partnership - Med Assistance Program	\$9,000
	PS-16	Young Families Early Head Start	\$27,077
	PS-17	YWCA of Billings Children's Services	\$2,050
	PS-18	YWCA Gateway House	\$10,000
Totals:		\$206,507	\$118,049

Public Service		
Cap:		\$118,081
Difference:		32

Staff Update: Beckett reported that Sage Tower is now funded and underway. We are in the process of negotiating the relocation of current residents during the renovation. She discussed concerns with the project and rent amounts and noted that we will be updating our legal forms for future affordable housing projects. She noted that Billington has spent about one-half of the new CDBG First Time Home Buyer allocation. Beckett also noted that the \$62,000 proposed allocation for Housing Authority will go before City Council for final approval on April 14.

McNamara reported that she closed two rehabs this month.

The meeting was adjourned at 1:00 p.m.

April 21, 2008

Mayor Tussing & City Council Members
City of Billings
PO Box 1178
Billings, MT 59103

Subject: Community Development Board Recommendations

Honorable Mayor Tussing & City Council Members:

This letter is intended to provide additional comments related to the Community Development (CD) Board's recommendation for Community Development Grant (CDBG) and HOME Investment Partnerships Program (HOME) funding. All members of the CD Board participated in discussion and recommendations except in the circumstance of recusals. Recusals were made for those Board's members who may have a real or perceived financial benefit or conflict of interest during discussions and voting.

The CD Board will be meeting again on May 6, 2008 to review recommendations made for Public Services. A formula error has caused an over-commitment and we will be discussing staff's recommendation to lower the Public Services amounts to 90.75% of the initial recommendations (these amounts are included in today's presentation). The CD Board may recommend another alternative for Council review and will include rationale for the alternative in Council packets for the May 12, 2008 action agenda item. I've outlined the CD Board's recommendations for your review below.

HOUSING AND NEIGHBORHOOD ACTIVITIES:

Emphasis for funding for these activities related to the CD Board's preference for funding projects with program income return over grant activities. Program income further supports programs and activities in the future.

CDBG & HOME Administration Limits

Current budget limitations do not allow funding for any applicants other than CDBG / HOME Administration.

HOME / CDBG Affordable Housing Support & First Time Homebuyer Program

The CD Board recommended \$200,000 in HOME funding for the Affordable Housing Support which funds new housing development. This amount is \$100,000 less than last years funding and the lowest level of funding for many years, which is due primarily to the decrease in new HOME funding granted to the City and the Division's long-term planning commitment to increase sustainability for the First Time Homebuyer program. Funding for the First Time Homebuyer (FTHB) program is typically expended within a four (4) month period. The FTHB program is also a favorite of the Task Forces, earning second place overall in their priority lists for funding (Recusals for Affordable Housing: Loken; FTHB: Goodridge, Kelly).

Community Housing Development Organization (CHDO)

The CD Board recommended CHDO funding in the mandated amount, \$72,594, which is 15% of the total new HOME funding granted to the City.

Living Independently for Today & Tomorrow, Yellowstone Co. Council on Aging & Rebuilding Together

These applications were recommended for the same funding amount as last year. The programs do not duplicate Community Development home repair programs and offer varying services to provide a continuum of home repair services in the community (Recusals for LIFTT: Weiss, Kelly; YCCOA-Minor Home Repair: Gilluly, Edmunds, Weiss).

Housing Authority - Lake Elmo Infrastructure, Phase I

Funding recommendations for this project include \$116,056 in current funding for affordable housing projects in addition to \$83,944 in FY08-09 funding. Infrastructure development is an eligible CDBG expense and the Housing Authority is contributing \$200,000 for the project which does not include their initial cost of purchasing the land which was \$302,000 (Recusals: Loken). The Board considered a loan versus grant for this project. Based on information provided in the application by the Housing Authority and the long-term nature of the project, (affordable housing in perpetuity) the Board decided to recommend funding as a grant.

Housing Authority - Section 8 Deposit Assistance

The CD Board was compelled to increase the recommended funding amount from the request due to testimony given by Housing Authority staff during the public hearings. Another organization in the community typically applied for and provided CDBG deposit assistance and they did not apply for CDBG funding for the FY08-09 year. This is expected to greatly impact the Housing Authority clients with Section 8 vouchers, as the other organization provided approximately \$20,000 per year in deposit assistance.

Housing Authority staff also requested some flexibility in the program (which differs from their initial application) regarding the amount of deposit assistance given to each client from 50% of the overall deposit to 100%, and to be able to grant funding rather than loaning funding. As the project is a pilot, staff and the CD Board support these slight modifications to the application in order to facilitate securing affordable housing for our very low income residents.

HRDC - Affordable Housing Project

The CD Board did not recommend funding for this project as they thought they could assist more households immediately with other programs resulting in a better return-on-investment. They would also like to see partial financial commitment from the organization as leveraging for the land purchase. While the Board supports the concept of purchasing land with a long-term lease in a community land trust, they would like to have more information regarding how the project would operate and would be managed. There are also other grants which may assist the organization in building capacity to support the project.

Young Families Early Head Start – Building Addition

The CD Board recommended funding as a grant for the addition of modular units to the new building. The project was initially designed with two additional units and the Young Families Board decided to scale back the project due to concerns regarding fundraising and debt service. Young Families has been able to pay off their total loan for the first building this year, and expects with grant support to keep a healthy bottom-line to support the expansion and their other financing. Loan options were discussed

but later dismissed as a condition of the funding due to the long-term effects of loans on non-profit organizations. The purpose of the grant application was to lessen the financial burden of the organization to fund the expansion.

Big Sky Economic Development Authority - Small Business Development Center

The CD Board recommended a lower level of funding primarily due to concerns regarding the level of service to high income individuals. The Center must provide technical assistance to anyone who attends training, including high income individuals. CDBG funds augment operating costs to provide overall technical assistance and only 93 out of 1,200 served are low income.

PUBLIC SERVICE ACTIVITIES:

Some Board members favored services meeting a basic necessity and having an immediate effect on quality of living (health and safety) such as feeding, bathing, medications, and etc. Through site visits and thorough review of the applications, the Board members typically gain a high level of understanding regarding the programs.

Larger amounts were dedicated to *Big Sky Prevention of Elder Abuse* and *Senior Helping Hands* program as they provide basic necessity services (Recusals: Gilluly).

Community Housing Resource Board was funded at a similar level as last year to support the organization. Discussion centered on funding the organization receives through the Fair Housing Initiatives Program (FHIP) grant, and ultimately the Board decided to support the organization with a basic level of funding for client-centered activities.

Easter Seals is a new program which was funded to provide services for autistic children. This program expects to be self-sustaining in the future and the Board supports seed funding in order to increase capacity.

The Board recommended a higher level of funding to the *Friendship House Summer Enrichment* program to support child care for low income households.

homeWORD was funded to support First Time Homebuyer education which is a requirement for the City's homebuyer program. *homeWORD* will not pursue additional funding contracts through the Community Development Division in FY08-09 to support this program (Recusals: Kelly).

HRDC's Growth thru Art was funded at a similar level as last year. The program faces dire funding circumstances and may not continue in the future due to low funding levels.

HRDC's Harmony House is also a new program and the Board recommended supporting the home for four pregnant teens. HRDC leveraged a large allocation of Continuum of Care funding to support the program and CDBG is a very small portion of their overall operating budget.

Scottish Rite Clinic received a recommendation for funding of as it is a new program serving disabled and handicapped children receive physical therapy. One Board member would like to see further development of a shared cost for services in the future for the organization, although the organization's basic legal structure is based on no-fee services. Parents will assist the organization to purchase special equipment and support other functions of the agency.

Southgate Cop Shop received a lower recommendation for funding as the shop has been successful in generating additional funding to meet their needs. The Board also mentioned the shop does not meet a basic necessity for residents and may duplicate a City-funded cop shop in the Rimrock mall.

Task Force Enhancement was recommended for funding at a basic level as the Board would like to see what the impact of the email conversion would be on the mailing fund.

Tree Trimming, Planting and Removal was supported at a level between FY06-07 and FY07-08 amounts.

Tumbleweed - Street Outreach was funded at a basic level as it is a new program providing services to teens that are homeless and living outside.

Yellowstone County Council on Aging Resource Center and YWCA Children's Services was funded at the very low amount they need to support their programs (Recusals for YCCOA: Gilluly).

Young Families Early Head Start was funded at a higher level than last year to accommodate the additional staff needed post expansion of their building. The Board felt strongly about supporting this organization during this funding year in both building expansion and staff in order to assist in capacity-building.

YWCA Gateway House was recommended for funding at the same amount they received last year.

Thank you for your consideration of our recommendations. The CD Board is available at your convenience to review each of our recommendations with you. We will also attend the Public Hearing scheduled for April 28 to address concerns.

Sincerely,

Duane Loken, Chair
Community Development Board