

JOURNAL OF COMMISSION WORK SESSION
August 6, 2013

City Commission Work Session
Civic Center, Gibson Room 212

Mayor Winters presiding

CALL TO ORDER: 5:30 p.m.

ROLL CALL: City Commissioners present: Michael J. Winters, Bill Bronson, Fred Burow, Bob Jones and Bob Kelly.

STAFF PRESENT: Deputy City Manager; City Attorney; Directors of Fiscal Services, Planning and Community Development, and Public Works; Police Chief; Comprehensive Planner II; CDBG Administrator; and the Deputy City Clerk.

1. CDBG – DDP DISCUSSION

Planning and Community Development Director Craig Raymond provided and discussed a handout of a memo on reallocation of CDBG funds.

The Downtown Development Partnership (DDP) was not able to receive the \$50,000 CDBG grant that was allocated to them by the Great Falls City Commission due to the timing to receive federal recognition as a non-profit.

Director Raymond reviewed the scope of work under which the grant was awarded: The DDPGF proposed to continue the Technical Assistance Program developed by the Great Falls-Cascade County Historic Preservation Commission, in concert with the Great Falls Planning and Community Development. The very successful program promoted economic development by providing feasibility studies for historic buildings in the downtown. Feasibility studies continue to be a much-needed tool in the downtown revitalization toolbox and would continue to assist property owners and potential developers with information regarding appropriate rehabilitation and preservation of historic buildings, while removing the slum and blight in the Downtown Master Plan.

Director Raymond provided four options for moving forward with the \$50,000 grant monies:

- 1) Leave the money unallocated and unused, essentially giving the money back to HUD. (Staff does not recommend this option.)
- 2) Reallocate the money to another recipient for the same amount and scope of work. (Staff does not recommend this action due to time constraints and the risk involved if the complete scope of work cannot be completed within two years. The City and/or the grant recipient risks having to return the monies up to \$50,000. Under this option, no Annual Action Plan amendment would be required.)

Deputy City Manager Jennifer Reichelt commented that an example would be if a 501(c)3

organization wanted to take on the feasibility studies, they could step in to receive the funds for the same scope of work, including a housing element. She cautioned that if the project does not materialize within two years, the \$50,000 would have to be paid back. If the non-profit does not have the funds, the City would be liable.

- 3) Reallocate the \$50,000 grant monies to another recipient within the same category (Affordable Housing) for a different purpose. Under this proposal the grant recipient would still be required to adhere to HUD guidelines for Affordable Housing activities. (Staff recommends this action at this time. During the January 2, 2013, City Commission meeting, it was determined that non-profit housing agencies would be considered for additional affordable housing funding above the \$75,000 of un-programmed funds if the federal CDBG allocation is greater than \$660,056. Under this option, the City would process an amendment to the Annual Action Plan.)

Director Raymond reported the funds received by the City from the federal government were approximately \$800,000, so non-profit housing agencies will receive additional funding.

- 4) Reallocate any combination of the \$50,000 grant amount to any approved activity. At this time, the City is restricted to allocate to "Public Facility Improvements" and/or "Affordable Housing". Other categories including "Administration" and "Public Services" have already been funded to a maximum allowable level under HUD regulations. (Staff does not recommend this action at this time. Under this option, an Annual Action Plan amendment would be required.)

Director Raymond reported Planning and Community Development staff is seeking direction as to which option best meets the Commission's stated priorities and desires. Given the CDBG calendar, he requested direction at this meeting.

Commissioner Bronson questioned the delay for the DDP to receive non-profit status.

DDP Board of Directors President Sheila Rice responded the DDP has not applied pending input from all parties. She provided an example of an organization that applied more than a year ago and has not received final approval.

Ms. Rice reported that when applying for the grant, City staff informed DDP that 501(c)3 status was not required. She added the staff member received the information from HUD, but later HUD disagreed they provided that information.

After discussion, the consensus of the Commission was to proceed with option #3, unless the Commission has another recommendation after reviewing a list of eligible applications that will be provided by Director Raymond.

ADJOURN

There being no further discussion, Mayor Winters adjourned the informal work session of August 6, 2013, at 6:01 p.m.