



Item: Annual Action Plan Including Use of 2013/2014 CDBG & HOME Funds

From: Mike Haynes, AICP, Planning and Community Development Department Director

Initiated By: Mike Haynes, AICP, Planning and Community Development Department Director

Presented By: Craig Raymond, Interim Planning and Community Development Department Director

Action Requested: Adoption of the Annual Action Plan and authorization of its submittal to the U. S. Department of Housing and Urban Development.

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission adopt the Annual Action Plan including the use of the 2013/2014 Community Development Block Grant funds and 2013/2014 HOME Program funds as recommended.”

2. Mayor calls for a second, discussion, public comment, and calls the vote.

Staff Recommendation: The Community Development Council and staff recommend the City Commission adopt the Annual Action Plan including the use of the 2013/2014 Community Development Block Grant (CDBG) funds and the use of the 2013/2014 HOME Investment Partnership Program funds, and authorize submittal to the U. S. Department of Housing and Urban Development (HUD).

Background: The Annual Action Plan portion of the Consolidated Plan includes the proposed use of CDBG and HOME funds for the upcoming fiscal year. The Consolidated Plan is a 5-year comprehensive planning strategy required by HUD.

CDBG and HOME Grant project applications were received in January, 2013. The Community Development Council reviewed the Public Service applications and made funding recommendations to the City Commission on March 19, 2013. A 30-day comment period, March 27, 2013 through April 25, 2013, was established to receive citizen views on:

- The proposed Annual Action Plan,

- The proposed use of 2013/2014 CDBG and HOME funds; and,
- Program performance and policies.

A copy of the proposed Annual Action Plan was available for review in the City CDBG/HOME and Neighborhood Council office, the Great Falls Public Library, and the City of Great Falls web page. In addition, the City Commission held a public hearing on April 16, 2013, to receive input.

At the conclusion of the 30-day comment period, the City Commission must adopt as recommended, or amend and adopt, the final Annual Action Plan for submittal to HUD in order for the City to continue to receive CDBG and HOME program funds. HUD must receive the Plan on or before May 15, 2013. The final Annual Action Plan is on file in the City Clerk's office.

Concurrences: The Community Development Council reviewed the applications and made funding recommendations to the City Commission on March 19, 2013.

Fiscal Impact: The City of Great Falls is currently expecting to utilize \$735,056 of Community Development Block Grant funds and \$230,000 of HOME funds from HUD in the coming year.

Alternatives: The City Commission may choose to approve the Annual Action Plan as presented or amend the plan.

Attachments/Exhibits:

- Proposed Funding List
- Public Hearing Comments

**2013/2014 USE OF FEDERAL GRANT FUNDS
COMMUNITY DEVELOPMENT BLOCK GRANT**

Affordable Housing

	<u>Requested</u>	<u>Recommended</u>
<p>DOWNTOWN DEVELOPMENT PARTNERSHIP OF GREAT FALLS, INC. Undertake feasibility studies for preservation and re-use of historic commercial buildings in the downtown area, including providing housing units in the upper floors, organization located at #15 5th Street North</p>	\$50,000	\$50,000
<p>GREAT FALLS CITY PLANNING & COMMUNITY DEVELOPMENT– CODE ENFORCEMENT Provide services to preserve and enhance public health and safety and reduce slums and blight by enforcing international and city codes related to maintenance of property and buildings</p>	\$31,652	\$31,652
<p>GREAT FALLS CITY PLANNING & COMMUNITY DEVELOPMENT– REHABILITATION SPECIALIST Provide rehab counseling, loan processing, inspections and construction monitoring for all CDBG-funded City revolving loan housing programs for low income people</p>	\$65,500	\$65,500
<p>NEIGHBORHOOD HOUSING SERVICES, INC. Revolving loan fund to provide down payment assistance, new construction/purchase and rehabilitation of houses and other activities addressing neighborhood revitalization activities in their CBDO-designated neighborhoods; will also provide 17% of funds received to Habitat for Humanity for purchase of a lot, address to be determined</p>	\$120,000	\$75,000

Public Facility Improvements

<p>GREAT FALLS CITY PARK & RECREATION – COMMUNITY RECREATION CENTER LIFT & ADA BATHROOM Purchase and install mobility platform lift and construct handicap accessible restroom on second floor of community recreation center located at 801 2nd Avenue North</p>	\$60,000	\$60,000
<p>GREAT FALLS CITY PARK & RECREATION – VERDE PARK Purchase and install handicap accessible play structure and play area border at Verde Park located at Upper River Road between 16th and 19th Avenue South</p>	\$37,500	\$37,500

	<u>Requested</u>	<u>Recommended</u>
<p>GREAT FALLS CITY PUBLIC WORKS – 4th AVENUE NORTH Reconstruct 4th Avenue North from 8th Street to 10th Street, including replacement of asphalt, curb and gutter, domes and sidewalks and installing handicap ramps</p>	\$150,000	\$150,000
<p>GREAT FALLS CITY PUBLIC WORKS – SIDEWALK REPLACEMENT Grant program to provide assistance to low income homeowners to remove and replace hazardous sidewalks in portions of Census Tract 4 and 5 (boundaries of 8th Avenue North to 2nd Avenue South and Park Drive to 15th Street) and other areas at request of low income homeowners</p>	\$30,000	\$30,000
<i>Public Service Activities</i>		
<p>ALLIANCE FOR YOUTH, INC. Provide substance abuse treatment services to non-violent felony offenders with a substance abuse or dependency diagnosis as part of adult drug treatment program administered by Alliance for Youth, agency located at 5305 3rd Avenue South</p>	\$50,000	\$12,500
<p>AREA VIII AGENCY ON AGING Purchase food for Meals on Wheels, a citywide home delivery meal program for low/moderate income elderly who are handicapped or unable to prepare meals</p>	\$25,000	\$25,000
<p>BOYS & GIRLS CLUB OF CASCADE COUNTY Provide scholarships for summer day camps for children from low income families, programs located at Great Falls Housing Authority (1722 Chowen Springs Loop) and Boys & Girls Club (600 1st Avenue Southwest)</p>	\$30,000	\$25,000
<p>CHILDREN’S MUSEUM OF MONTANA Provide scholarships for children from low income families to participate in play-to-learn exhibits at children’s museum located at 22 Railroad Square</p>	\$5,000	\$5,000
<p>FAMILY CONNECTIONS (aka Child Care Solutions Montana) Provide child care scholarships for children from low income families, agency located at 202 2nd Avenue South</p>	\$15,200	\$0

	<u>Requested</u>	<u>Recommended</u>
<p>GREAT FALLS CITY PARK & RECREATION— MORONY NATATORIUM & COMMUNITY RECREATION CENTER Provide scholarships for disabled adults to participate in special needs water activities at community indoor pool facility located at 111 12th Street North; provide scholarships for children from low income families for after school and summer camp programs at community center located at 801 2nd Avenue North</p>	\$7,500	\$7,500
<p>GREAT FALLS CITY PARK & RECREATION—EAGLE FALLS PARAMOBILE Purchase paramobile adaptive golf cart to be used at Eagle Falls community golf course located at 1025 25th Street North Application withdrawn by agency as unable to secure matching grant as planned</p>	\$10,000	\$0
<p>GREAT FALLS SENIOR CITIZENS CENTER Purchase food for on-site meal program for the elderly administered in elderly facility located at 1004 Central Avenue</p>	\$10,000	\$0
<p>QUALITY LIFE CONCEPTS, INC. Purchase and install ceiling tracking system, lift and slings to provide mobility assistance to bathrooms in group home for develop-mentally disabled adults located at 3233 5th Avenue South Fund lift, slings and bathroom track</p>	\$11,349	\$7,500
<p>RURAL DYNAMICS, INC. Provide scholarships for case management services through a family financial stability program; provide scholarships for family memberships for Prosperity Club for low to moderate income people, agency located at 2022 Central Avenue Fund only if total funding for Public Services exceeds \$99,000</p>	\$27,000	\$7,500*
<p>SUNBURST UNLIMITED, INC. Purchase gardening tools, equipment and materials to develop programs to raise food for community food bank and teach low income people how to grow and prepare their own food, programs located at 410 16th Street Southwest and 1801 Benefis Court Fund purchase of gardening tools</p>	\$14,658	\$5,000
<p>YOUNG PARENTS EDUCATION CENTER Provide day care scholarships and emergency housing scholarships for very low to low income teen or young adult parents completing high school or GED programs, programs located at alternative high school at 2400 Central Avenue</p>	\$25,000	\$12,000

Administration

	<u>Requested</u>	<u>Recommended</u>
CDBG PROGRAM ADMINISTRATION	\$132,011	\$132,011
General oversight, promotion, financial accountability, monitoring, reporting, and coordination of the CDBG program including activities to further fair housing and the Continuum of Care for Homelessness		
TOTAL 2013/2014 CDBG FUNDING REQUESTED	\$907,370	
TOTAL 2013/2014 CDBG FUNDING RECOMMENDATION		\$731,163
TOTAL ANTICIPATED 2013/2014 CDBG GRANT		\$660,056
TOTAL CDBG FUNDING AVAILABLE FROM PREVIOUS YEARS		\$75,000
TOTAL AVAILABLE CDBG GRANT FUNDS		\$735,056

* Amount not included in total funding recommendations as will be funded only if Public Service funding exceeds \$99,000

**2013/2014 USE OF FEDERAL GRANT FUNDS
HOME INVESTMENT PARTNERSHIP PROGRAM**

	<u>Requested</u>	<u>Recommended</u>
ACCESSIBLE SPACE, INC.		
New construction of a 38 unit apartment complex to provide accessible, affordable rental housing for low income and frail elderly to be located at 1700 Division Road For review only, project previously funded		
NEIGHBORHOOD HOUSING SERVICES, INC.	\$240,000	\$0
Owners in Partnership XXI—construct and rehabilitate single family houses and provide down payment and closing cost assistance for low income home buyers on citywide basis To be considered only if ASI project not undertaken		
HOME PROGRAM ADMINISTRATION	\$23,040	\$23,040
General oversight, management, promotion, financial accountability, monitoring and coordination of the HOME program		
TOTAL 2013/2014 HOME FUNDING REQUESTED	\$263,040	
TOTAL HOME FUNDING RECOMMENDATION		\$23,040
TOTAL ANTICIPATED 2013/2014 HOME GRANT		\$230,000
TOTAL HOME FUNDING NEEDED TO FUND PREVIOUS YEAR ALLOCATIONS		\$202,000
TOTAL AVAILABLE HOME FUNDS		\$28,000

Proposed Action Plan Public Hearing Summary
City Commission Meeting
April 16, 2013

A public hearing was held on April 16, 2013, as part of the regular City Commission meeting in the Commission Chambers at the Civic Center. The hearing was held to provide an opportunity for citizens to advise the City Commission on their opinions regarding the 2013/2014 Proposed Annual Action Plan, the proposed allocation of 2013/2014 Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds and on the performance of the CDBG and HOME grant programs.

Michael Haynes, director of the Planning and Community Development Department, advised the City Commission the recommendations on Public Service funding are from the Community Development Council (CDC). He described how the CDC heard requests for funds from all eligible applicants and met to prioritize funding requests. The funding recommendations for the CDBG categories of Affordable Housing and Public Facilities and all of the HOME funds are from the Planning & Community Development Department in consultation with the city manager and city department heads. Mr. Haynes listed the activities that were undertaken for public notification for the public hearing. He noted specific funding recommendations were outlined in detail in the agenda report related to the public hearing and at the City Commission work session which was held on March 19, 2013. The requested action for the evening was to hold the public hearing and schedule final action on the Proposed Action Plan for the May 7, 2013, City Commission meeting.

The following listing is a summary of the comments which were expressed as part of the public hearing.

Proponents:

Mike Dalton, executive director of Sunburst Unlimited. Mr. Dalton noted Sunburst Unlimited was an applicant for grant monies and the requested grant funds would be used to buy gardening tools and develop a watering system for the first garden the agency was developing on city-owned land. Mr. Dalton described the specific commitments the organization has made to the City which resulted from working with the City Park & Recreation Department for a land use permit. The Westside Orchard Garden will be located in a low moderate income neighborhood. Positions will be offered for unemployed people to be trained and employed in gardening work. Harvest proceeds will be dedicated to the 64 affiliates of the Great Falls Food Bank. Residents of the neighborhood have been offered free garden plots. Sunburst Unlimited will supervise members of the Boys & Girls Club in growing their own pumpkin patch and raising worms for composting. Sunburst Unlimited is working toward reducing food insecurity in Great Falls. The agency is in need of grant monies and very appreciative of the City Commission's consideration of its application.

Nancy Wilson, employee of Cascade County Meals on Wheels. Ms. Wilson introduced another employee of Meals on Wheels, Dava Ann Pinski. Ms. Pinski related she has worked for Meals on Wheels for two years and has been delivering meals. She noted how every day on her job she sees people who are in great need of this service and that having the meals is incredibly important to the people. Ms. Pinski requested the City Commission keep Meals on Wheels in mind when dispersing grant funds.

Opponents:

None

A motion was made to close the public hearing and schedule final action for the Proposed Action Plan on May 7, 2013. Before the motion was approved, Bill Bronson, City Commissioner, expressed concern about the direction the CDBG/HOME process has taken compared to prior years. He relayed he has recently been reviewing Housing & Urban Development (HUD) regulations and policies in respect to how the City is doing the process this year. Mr. Bronson described concern that a process intended to involve a significant amount of public involvement and participation has been whittled down to a small amount of public input, i.e., decreased to getting significant input on only 13.6% of funds, and he questioned how HUD will view this when they ultimately review the Action Plan. Mr. Bronson noted the applications that went through the process with the CDC were well-presented and vetted. He was pleased that representatives from Sunburst Unlimited and Meals on Wheels took the time to attend the public hearing. Mr. Bronson expressed concern that representatives from other agencies which have been recommended to receive funding, for whatever reason, felt they did not have to come to the public hearing to state their cases to the City Commission. He stated he assumed they thought that because the CDC recommended funding that everything was in the bag but he believed that is not a safe assumption given the dwindling amount of dollars available. The City Commission will be facing difficult decisions about how to allocate the decreased amount of dollars and Mr. Bronson wished they would have heard from the applicants; nonetheless, his opinion was their applications were vetted.

Mr. Bronson noted a number of applications have not involved any public discussion, including those made by City departments. He had specific questions about the Downtown Development Partnership (DDP) application for funds for feasibility studies for historic buildings and requested further information. **Joan Redeen** responded to his questions.

Mr. Bronson indicated his review of HUD policies revealed only IRS-designated 501(3)(c) entities are eligible to apply for and receive those funds. Ms. Redeen related the organization's 501(3)(c) application was due to be submitted by April 30 and she is aware it may take several months for final determination from the IRS. Mr. Bronson questioned if the DDP had submitted a comparable application to the Montana Department of Revenue so they may opine as to whether or not the DDP has non-profit status under Montana tax law. Ms. Redeen indicated she believed that had been done but would need to verify it.

Mr. Bronson emphasized he was relying on his review of HUD regulations and policy and it was his understanding that if a grant is made to an entity for purposes of doing feasibility study on historic buildings with a housing component—which is the way the DDP application has been written—the study has to be completed, construction underway and people must be living in that building at the conclusion of two years. When looking at the timeframe in the application he did not see indications that the DDP would be able to meet the timeline. Mr. Bronson wondered if discussion had occurred about this issue and whether Ms. Redeen felt comfortable the DDP would be able to meet the timeline. Ms. Redeen related that Sheila Rice, chair of the board, indicated the DDP is aware of this concern and will draw up guidelines for the studies to make certain developers can meet the HUD guidelines which are basically that at least one housing unit be created within two years of the feasibility study. Ms. Redeen saw no reason why the DDP would not be able to meet the guidelines. She noted guidelines are not in place but they have previous feasibility studies available from which to craft guidelines.

It is noted in the application the proposed project is an effort to replicate the success obtained with the technical assistance grant. Mr. Bronson questioned what would be done to replicate the process of review of historic value considerations. He relayed that the current City historic preservation officer plans to retire in two months and as of this time no plans are being made to immediately replace her. Mr. Bronson noted nothing in the application indicates any specific role for the historic preservation officer but he also does not see any specifics that portray how the process will be replicated. Ms. Redeen indicated a seated position on the DDP board of directors is the Historic Preservation Advisory Commission (HPAC) and she herself is an ex-officio member of the HPAC. Although the board has not discussed this specific issue at a board meeting, several members of the board are aware of it and it will be addressed. Mr. Bronson replied that he knows all the board members but does not know if any of them are prepared to come forward and say they have the level of expertise of a historic preservation officer when it comes to reviewing applications. Mr. Bronson relayed he is not concerned the DDP will try to do a good job but is concerned whether they will have the necessary resources available to them.

Mr. Bronson noted his concern is related in part to conversations he has had with his counterparts in other cities who are concerned about what HUD will do in the upcoming years in regards to allocating fewer dollars and making sure communities spend those dollars within the limits prescribed by regulation and policies. He knows HUD has already raised questions about an allocation done this year for a boiler at Paris Gibson Square. The last thing he wants to see a year from now is HUD coming back and saying they do not like or are uncomfortable with the City's activities. Mr. Bronson described how the City could be exposing itself to a situation where HUD would take back the money and such a situation should be avoided. Ms. Redeen reported the DDP has the continued support of Ken Sievert who is on the HPAC and he will be a valuable resource for DDP. They could get his input on developing the guidelines and reviewing applications and work with him on each project.

Mr. Bronson thanked Ms. Redeen for all the information. He requested that when they come back in several weeks he would like to see thought given to the questions he has raised. He noted in the interest of time he would direct his other questions to City staff. He would like to see similar considerations given to the other applications, particularly those made by the City. Mr. Bronson noted there would be the opportunity for questions and answers at the May 7 City Commission meeting.

Carrie Kopy reported the DDP finances and structure have been submitted to the Secretary of State office and they are awaiting designation of non-profit status. Ms. Kopy related she is a grant writer at NeighborWorks Great Falls (NWGF) and, as such, is familiar with HUD regulations and believes that if one looks at just the project scope it is on very solid ground. She described how blight removal cannot be used as a key element in developing the downtown but addressing foreclosed buildings and structural significance and other issues that are a component of blight is acceptable under HUD regulations. In regards to the housing element, Ms. Kopy requested the weight and size of organizations that are backing this application be considered, including NWGF, NeighborWorks America and the Mainstreet Program which three other cities in Montana have already developed.

Ms. Kopy reported she saw several members of the CDC in attendance tonight ready to testify in support and also saw other non-profit representatives. Ms. Kopy noted she came to talk about the housing element; however, she felt it did not appear necessary and so in the interest of not wasting anyone's time she chose not to speak. She related that NWGF and Habitat for Humanity appreciated the City Commission restoring housing to the CDBG application process this year and they were grateful for the opportunity to apply. Ms. Kopy noted NWGF work with Habitat for Humanity will move affordable housing forward to reach a larger number of people. She expressed her gratitude for the City Commission support.

Mr. Bronson related he has seen a dramatic decrease in the level of citizen participation and he indicated non-profit agencies should never feel the need to hold back on giving input to the City Commission. Mr. Bronson stated he appreciated the information he was provided with that evening but continued to have concerns about what HUD may do when looking at how the DDP application has been structured and how this compares to the experience the group has already had with the use of technical assistance for the Church Harris Building. Mr. Bronson noted all agree that project was a success but it did not involve a housing component and he questioned if we would be limiting ourselves too much. He wondered if creating an economic development category with all or some of these funds should be considered as not every developer may have housing in mind and even if a developer is interested in looking at housing, it may be questionable whether it would be feasible in that specific situation. Mr. Bronson closed by noting he would contact DDP for further information.

A vote was taken and approved.