



**Item:** CDBG and HOME Program Proposed Use of Funds and Public Hearing Date for HUD Required 2014/2015 Annual Action Plan

**From:** Craig Raymond, CBO, Director, Planning and Community Development

**Initiated By:** Jolene Wetterau, CDBG/HOME Administrator, Planning and Community Development

**Presented By:** Craig Raymond, CBO, Director, Planning and Community Development

**Action Requested:** Accept proposed use of CDBG and HOME funds and Set Public Hearing for the 2014/2015 Annual Action Plan for April 15, 2014

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**Suggested Motion:**

1. Commissioner moves:

“I move to accept the proposed use of funds for the 2014/2015 Community Development Block Grant Program and HOME Program for inclusion in the Annual Action Plan and set the public hearing for April 15, 2014.”

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

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**Staff Recommendation:**

Staff recommends the City Commission: (1) accept recommendations for funding the 2014/2015 Community Development Block Grant projects; (2) accept funding recommendations for the 2014/2015 HOME program projects; and, (3) set a public hearing date for the proposed Annual Action Plan on April 15, 2014.

**Background:**

CDBG and HOME programs are federal programs administered by U.S. Department of Housing and Urban Development (HUD) to help fund local community development programs including affordable housing, public service, economic development and public infrastructure projects. The primary goal of these programs is to assist low and moderate income (LMI) persons in their respective communities. State and local governments receive funding from HUD based on a formula derived from population and housing statistics.

In order to receive HUD funding, a jurisdiction must submit a five-year Consolidated Plan that is updated annually with an Annual Action Plan containing the proposed use of Community Development Block Grant (CDBG) and HOME Program (HOME) funds. On May 4, 2010, the

City Commission approved the 2010-2015 HUD Consolidated Plan. The Annual Action Plan is developed taking into consideration community needs and City Commission funding priority percentages. Information regarding community needs is garnered from a HUD required annual Community Needs Hearing which was most recently held by the Commission on December 17, 2013.

#### Citizen Participation

The Proposed Annual Action Plan will be made available to the citizens of Great Falls for review and comment for a 30-day period beginning March 26, 2014, continuing through April 24, 2014. The public hearing on April 15, 2014 is a forum to allow the citizens of Great Falls the opportunity to express their views on the proposed Annual Action Plan and the proposed use of federal CDBG and HOME Program dollars and on each program's policies and performance.

#### Workload Impacts

Administrative responsibilities will result from the acceptance and use of the CDBG and HOME funds.

#### Purpose

HUD requires that a public hearing be held regarding the proposed use of CDBG and HOME funds presented in the 2014/2015 Annual Action Plan for upcoming funding year.

#### Evaluation and Selection Process

The 2014/2015 Annual Action Plan outlines the schedule for setting funding priorities, reviewing applications and approving funding recommendations as determined and maintained accordingly. In order to receive 2014/2015 CDBG and HOME funds, the City Commission must officially adopt the Annual Action Plan and submit it to HUD by May 15, 2014.

Community Development Block Grant project grant proposals were received by Staff on or before January 24, 2014. The applications were reviewed by Staff for compliance with HUD regulations and City Commission adopted policies for the allocation of CDBG funds. If the applications passed these thresholds, they were compiled and sent on to the Community Development Council (CDC) for scoring.

The Community Development Council (CDC) is a 10-member citizen advisory board appointed by the City Commission to review applications for CDBG funds and develop and present funding recommendations to the City Commission. The CDC met on February 6 and 11, 2014, to hear oral presentations by public service applicants. The CDC met on February 11-12, 2014, to hear oral presentations by housing and public facility applicants. On March 4, 2014, the CDC formulated its funding allocation recommendations which are attached to this report. The CDC follows the City Commission funding allocation percentages approved at the Needs Public Hearing to allocate fund with a small decrease in the percentage for public services and a corresponding increase to the affordable housing percentage (2.785%).

The HOME Program project proposals were also received on January 23, 2014. HOME Program funding recommendations will be presented to the City Commission by staff during the City Commission work session on March 18, 2014. The City Commission will make final funding decisions on the HOME and the CDBG proposals at the May 6, 2014, City Commission meeting.

The schedule for 2014 is as follows: City Commission will consider CDC funding recommendations on March 18, 2014. A public hearing on the proposed 2014/2015 Annual Action Plan will be held on April 15, 2014, with final approval by the City Commission scheduled for May 6, 2014.

Conclusion

The public hearing provides the citizens of Great Falls an important opportunity to comment on the proposed HUD 2014/2015 Annual Action Plan, including projects recommended for funding during the 2014/2015 program year.

**Fiscal Impact:** Conducting the Annual Action Plan public hearing is a pre-condition for the City receiving its annual allocation of HUD CDBG and HOME grant funds.

**Alternatives:** The hearing is required for the City to be awarded 2014/2015 CDBG and HOME funding.

**Attachments/Exhibits:**

CDBG and HOME Program proposed use of funds  
CDC Meeting Minutes of March 4, 2014 - Draft

**2014/2015 USE OF FEDERAL GRANT FUNDS  
COMMUNITY DEVELOPMENT BLOCK GRANT**

***Affordable Housing***

	<u>Requested</u>	<u>Recommended</u>
<p><b>GREAT FALLS RENTAL IMPROVEMENT LOAN PROGRAM</b> Provide funds to rehabilitate units in the area, specifically the downtown area to tie into the City's Downtown Master Plan</p>	\$150,000	\$50,000
<p><b>GREAT FALLS CITY PLANNING &amp; COMMUNITY DEVELOPMENT- CODE ENFORCEMENT</b> 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><b>GREAT FALLS CITY PLANNING &amp; COMMUNITY DEVELOPMENT- REHABILITATION SPECIALIST</b> Provide rehab counseling, loan processing, inspections and construction monitoring for all CDBG-funded City revolving loan housing programs for low income people</p>	\$67,455	\$67,455
<p><b>NEIGHBORHOOD HOUSING SERVICES, INC.</b> 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>	\$225,000	\$84,903
<p><b>HABITAT FOR HUMANITY</b> Purchase of land for construction of a Habitat for Humanity (HFH) house in fiscal year 2014/2015</p>	\$50,000	\$25,000

***Public Facility Improvements***

<p><b>GREAT FALLS CITY PARK &amp; RECREATION – COMMUNITY RECREATION CENTER</b> Purchase and replacement of existing doors with ADA energy efficient entryway doors for the community recreation center located at 801 2<sup>nd</sup> Avenue North</p>	\$75,000	\$32,000
<p><b>GREAT FALLS CITY PARK &amp; RECREATION – DUDLEY ANDERSON PARK</b> Purchase and install handicap accessible play structure and play area border at Dudley Anderson Park located at 701 33<sup>rd</sup> Street South</p>	\$40,000	\$30,000

	<u>Requested</u>	<u>Recommended</u>
<p><b>GREAT FALLS CITY PUBLIC WORKS – 4<sup>th</sup> AVENUE NORTH</b>  Reconstruct 3rd Avenue North from 10<sup>th</sup> Street to 12<sup>th</sup> Street, including replace asphalt, curb and gutter, domes and sidewalk and install handicap ramps</p>	\$200,000	\$130,328
<p><b>GREAT FALLS CITY PUBLIC WORKS – SIDEWALK REPLACEMENT</b>  Grant program to provide assistance to low income homeowners to remove and replace hazardous sidewalks within the city limits</p>	\$30,000	\$30,000
<p><b>OPPORTUNITIES, INC.</b>  Repair of roof for the Youth Employment Center located at 620/622 1<sup>st</sup> Avenue South</p>	\$38,183	\$20,672
<p><b>GREAT FALLS PARK &amp; RECREATION – MORONY NATATORIUM</b>  Asbestos sampling, testing, removal of flooring, installation of floor tiles in lobby, bathrooms, and hallways located at 111 12<sup>th</sup> Street North</p>	\$42,965	\$13,000
<p><b>CENTER FOR MENTAL HEALTH</b>  Replacement of existing windows and doors with energy efficient windows and ADA compliant door located at 513 1<sup>st</sup> Avenue South</p>	\$70,900	\$10,500
<p><b>PARIS GIBSON SQUARE MUSEUM – ADA ACCESSIBILITY IMPROVEMENT PROJECT</b>  Replacement of existing west doors to improve ADA access and energy efficiency located at 1400 1<sup>st</sup> Avenue North</p>	\$30,459	\$10,000
<b><i>Public Service Activities</i></b>		
<p><b>AREA VIII AGENCY ON AGING</b>  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><b>BOYS &amp; GIRLS CLUB OF CASCADE COUNTY</b>  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 &amp; Girls Club (600 1<sup>st</sup> Avenue Southwest)</p>	\$30,000	\$25,000

	<u>Requested</u>	<u>Recommended</u>
<p><b>GREAT FALLS CITY PARK &amp; RECREATION— MORONY NATATORIUM &amp; COMMUNITY RECREATION CENTER</b>            Provide scholarships for disabled adults to participate in special needs water activities at community indoor pool facility located at 111 12<sup>th</sup> Street North; provide scholarships for children from low income families for after school programs and summer camp programs at community center located at 801 2<sup>nd</sup> Avenue North</p>	\$8,000	\$8,000
<p><b>GREAT FALLS SENIOR CITIZENS CENTER</b>            Purchase food and supplies for on-site meal program for the elderly administered in elderly facility located at 1004 Central Avenue</p>	\$10,000	\$5,000
<p><b>QUALITY LIFE CONCEPTS, INC.</b>            Purchase an enclosed trailer for the Work Service Program available to disabled adults in the Great Falls area.</p>	\$9,385	\$5,500
<p><b>RURAL DYNAMICS, INC.</b>            Provide scholarships for federal and state tax preparation services to low/moderate income persons through the Tax Help Montana Program located at 1004 Central Avenue</p>	\$14,777	\$10,000
<p><b>SUNBURST UNLIMITED, INC.</b>            Purchase and installation of gardening shed for secure storage of equipment and materials belonging to the Westside Orchard Garden Program which raises food for the Great Falls Head Start program and teaches low income people how to grow and prepare their own food; programs located at 410 16<sup>th</sup> Street Southwest and 1801 Benefis Court</p>	\$14,658	\$3,000
<p><b>YOUNG PARENTS EDUCATION CENTER</b>            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	\$10,000
<p><b>PARIS GIBSON SQUARE – SCHOLARSHIPS</b>            Provide scholarships for disabled adults and the elderly to the Paris Gibson Square Adaptive Art Classes located at 1400 1<sup>st</sup> Avenue North</p>	\$10,208.75	\$5,000

**Administration**

	<u>Requested</u>	<u>Recommended</u>
<b>CDBG PROGRAM ADMINISTRATION</b>	\$148,000	\$148,000
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		
<b>TOTAL 2014/2015 CDBG FUNDING REQUESTED</b>	<b>\$1,401,222.24</b>	
<b>TOTAL 2014/2015 CDBG FUNDING RECOMMENDATION*</b>		<b>\$780,010</b>
<b>TOTAL ANTICIPATED 2014/2015 CDBG GRANT</b>		<b>\$730,000</b>
<b>TOTAL CDBG FUNDING AVAILABLE FROM PREVIOUS YEARS</b>		<b>\$50,010</b>
<b>TOTAL AVAILABLE CDBG GRANT FUNDS</b>		<b>\$780,010*</b>

**\*Amount is an estimation of anticipated funding that has yet to be disclosed by the U.S. Department of Housing and Urban Development (HUD); all amounts may vary depending on the final notification of award.**

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

	<u>Requested</u>	<u>Recommended</u>
<b>NEIGHBORHOOD HOUSING SERVICES, INC.</b>	\$250,000	\$207,000
Affordable Housing Program—construct and rehabilitate existing houses for purchase of rent and provide down payment and closing cost assistance for low income home buyers on citywide basis		
<b>HOME PROGRAM ADMINISTRATION</b>	\$23,000	\$23,000
General oversight, management, promotion, financial accountability, monitoring and coordination of the HOME program		
<b>TOTAL 2013/2014 HOME FUNDING REQUESTED</b>	<b>\$250,000</b>	
<b>TOTAL HOME FUNDING RECOMMENDATION</b>		<b>\$23,000</b>
<b>TOTAL ANTICIPATED 2013/2014 HOME GRANT</b>		<b>\$230,000*</b>
<b>TOTAL AVAILABLE HOME FUNDS</b>		<b>\$230,000</b>

**\*Amount is an estimation of anticipated funding that has yet to be disclosed by the U.S. Department of Housing and Urban Development (HUD); all amounts may vary depending on the final notification of award.**





## Community Development Council (CDC) Meeting Minutes

March 4, 2014

Great Falls Civic Center, Rainbow Room

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Susan McCord called the meeting to order at 5:21 p.m. and took roll call.

Roll Call	
Community Development Council Members:	
<input checked="" type="checkbox"/>	Steve Pretat
<input checked="" type="checkbox"/>	Jolene Bach
<input checked="" type="checkbox"/>	Max Bailey
<input checked="" type="checkbox"/>	Keith Cron
<input checked="" type="checkbox"/>	Dave Fink
<input checked="" type="checkbox"/>	Anita Fisher
<input checked="" type="checkbox"/>	Carrie Kopp
<input checked="" type="checkbox"/>	Susan McCord
<input checked="" type="checkbox"/>	Dave Sutinen
<input type="checkbox"/>	Sandie Edwards

### Others Present:

Jolene Wetterau, City of Great Falls (City) Planning & Community Development Department, CDBG/HOME Grant Administrator

Gregg Benson, City Planning & Community Development Department, City Planner

### A. Approval of Previous Meeting Minutes

Minutes from the February 12, 2014, CDC meeting were unanimously approved as written on a motion made by Anita Fisher and seconded by Dave Fink.

### B. Public Comment (agenda items)

No members of the public were present.

### C. CDC Discussion Regarding CDBG Public Service Allocation Recommendations

Initially, while discussing the two highest ranking projects, CDC members started to formally vote on the funding amount; however, after a brief discussion the members agreed they would discuss each application, determine funding amounts for each, and then vote on the funding recommendations once all had been determined.

**Public Service - \$96,500**

Area VIII Agency on Aging – The CDC unanimously agreed to fully fund at \$25,000.

Boys & Girls Club – It was noted the agency serves a large number of children from low/moderate income families and also serves at-risk children. The CDC unanimously agreed to fund at \$25,000.

Sunburst Unlimited – The CDC agreed that a partial funding of the secure storage shed for the storage of tools purchased during last CDBG funding cycle would be the best use of this year's CDBG. The CDC agreed to set partial funds at \$3,000.

City Park & Recreation Department-CDC & Morony Natatorium – With the changes made to the sliding scale scholarships, the council was happy to see that more people will be served with the funding that is awarded. The CDC agreed to fully fund at \$8,000.

Young Parents Education Center – This application was viewed as having a low cost benefit and not demonstrating a need for funding as other funding sources are available. The CDC agreed to fund at \$10,000.

Rural Dynamics – The council agreed that the tax help program would be benefit to the community to low/moderate persons. The CDC agreed to fund at \$10,000.

Quality Life Concepts – After much discussion regarding the profitability of the program and the benefit to the agency, the Council concluded that the purchase of the enclosed trailer would be the best use of funds. The CDC agreed to fund at \$5,500.

Family Connections – The CDC agreed to not fund at any level because of its low ranking and funding that is already being received by the agency from other sources.

Senior Citizens Center – The Council agreed to fund the project at half the requested amount. However there was concern on how the agency will quantify the number of individuals that will benefit from the program.

Alliance for Youth – The CDC agreed to not fund at any level because of unknown number of individual that may be served by the program.

Paris Gibson Square – The CDC agreed to partial funding of the program due to the high number of requests for other funding. The CDC agreed to fund at \$5,000.

NeighborWorks/Southside Garden - CDC agreed to not fund at any level because of its low ranking.

**Public Facility - \$276,500**

Opportunities, Inc. – The CDC agreed to fund the roof repair project put forth by the agency. The other project was considered to be a low priority due to the number of individuals it will benefit. The CDC agreed to fund at \$20,672.

City Park & Recreation-Community Rec. Center – The CDC agreed to limit the funding for the agency to the replacement of the ADA doors only. The CDC agreed to fund at \$32,000.

City Public Works – The CDC agreed to the full funding of the sidewalk replacement and the partial funding of the street replacement. The CDC agreed to fund \$30,000 for the sidewalk project and \$130,328 for the street replacement.

City Parks & Recreation - Parks – The CDC agreed to fund the project at a lower amount due to the large number of applications and requests for funding. The CDC agreed to fund at \$30,000.

City Parks & Recreation-Morony Natatorium – The CDC agreed to partial funding of asbestos abatement for the flooring and replacement with tile; however, the doors and door frames were considered by the CDC to be a maintenance issue and not eligible for funding. The CDC agreed to fund at \$13,000.

Center for Mental Health – The CDC agreed to partial funding of the ADA doors and windows; however, the remaining request was considered to be low on the list to benefit the most individuals. The CDC agreed to fund at \$10,500.

Paris Gibson Square – The CDC agreed to partial funding for the replacement to the west doors as requested by the agency; the remaining request was considered to be a building maintenance issue and not eligible under CDBG. The CDC agreed to fund at \$10,000.

Joseph Project - The CDC agreed to not fund at any level because of unknown number of individuals that may be served by the program and its low ranking.

#### **Affordable Housing - \$259,000**

Habitat for Humanity – The CDC unanimously agreed to fund one half of the proposal due to the high demand for funds. The CDC agreed to fund at \$25,000.

NeighborWorks – The CDC agreed to partial funding for the project due to the demands of other programs. The CDC agreed to fund at \$84,903.

City PCD-Code Enforcement – The CDC unanimously agreed to fully fund at \$31,652 with the understanding that in the future, if CDBG funding is not available, that the position will need to be fully funded for a continuing five years following the end of funding.

City PCD-RLF Rehab Specialist - The CDC unanimously agreed to fully fund at \$67,445 with the understanding that in the future, if CDBG funding is not available, that the position will need to be fully funded for a continuing five years following the end of funding.

City PCD-Rental Improvement Loan – The CDC agreed to partially fund the program due to the large request for funds. The CDC agreed to fund at \$50,000.

After discussing each application from highest ranking to lowest ranking and determining funding levels, the CDC had a surplus of funds remaining from the Public Services category percentage of funding allocation. The CDC agreed to move the leftover funding from Public Services into the Affordable Housing category, as per the Need Public Hearing the greatest demand for funding was Affordable Housing.

The CDC further discussed the funding of the City PCD-RLF Rehab Specialist project. A motion was made by Anita Fisher to allow Carrie Kopyy to talk with the City Commission regarding using program income to fund a portion of the Rehab Specialist in future years, as the demand for housing is so large and there is limited funding available. Keith Cron seconded the motion and it was carried unanimously.

Conclusions

Susan McCord made a motion to recommend funding for Public Service project as discussed and listed above. Dave Fink seconded the motion and it was carried unanimously.

Dave Fink made a motion to recommend funding for Public Facility project as discussed and listed above. Susan McCord seconded the motion and it was carried unanimously.

Jolene Bach made a motion to recommend funding for Affordable Housing project as discussed and listed above. Anita Fisher seconded the motion and it was carried unanimously.

**D. Public Comment** (any public matter not on agenda but within agency jurisdiction)

No members of the public were present.

**E. Adjournment**

The meeting was adjourned at 7:12 p.m.

Minutes Approved: