



Item: Resolution No. 10082, Authorizing Acceptance of Grant Funds from Montana Department of Commerce HOME Investment Partnership (HOME) Program

From: Planning and Community Development Department

Initiated By: Craig Raymond, Director, Planning and Community Development

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

Action Requested: City Commission Adopt Resolution No. 10082

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (adopt/deny) Resolution No. 10082, Authorizing Acceptance of Grant funds from Montana Department of Commerce HOME Investment Partnership (HOME) Program.”

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

Staff Recommendation:

Staff recommends the City Commission adopt Resolution No. 10082 authorizing the City Manager to appropriate federal or state funds from the Montana Department of Commerce (MDOC) enabling the City to accept \$750,000 in grant funds from State of Montana U.S. Department of Housing & Urban Development (HUD) HOME Investment Partnership (HOME) Program funds.

As the administrator of the State HOME Program funds, the Montana Department of Commerce requires passage of a resolution by the governing body authorizing the City to accept the grant funding to perform the development and new construction of Voyager Apartments, a 38-unit accessible, affordable rental housing complex, and ensure the compliance with the HOME Program requirements, regulations, statutes, terms and conditions described in the HOME Certifications for Application found within the Federal Fiscal Year 2012 HOME Application Guidelines.

Background:

Over the period of the past two years, HOME funding to the City has continued to decrease. Meanwhile, the Montana Department of Commerce HOME program has been unable to allocate all of its available HUD HOME funding during the past year. As a result, MDOC was seeking applications for State HOME funds to construct affordable multi-family rental projects to the three entitlement cities: Billings, Great Falls and Missoula. The situation presented an opportunity that enables the City to apply for \$750,000 of State HOME funds which may be used by Accessible Space, Inc. (ASI), in conjunction with other funding sources, to develop quality affordable rental units for seniors in Great Falls. Application was submitted to MDOC in February 2013. Awarding of grant funds from MDOC was issued to the City on May 7, 2014.

The City of Great Falls had been approached by ASI, one of the nation's premier nonprofit developers and operators of accessible, affordable, service-enriched housing for people with physical disabilities, including the frail elderly, for the past three years to facilitate development of a fourth ASI rental property in Great Falls. The following properties are existing ASI developments within the city:

- Meadow Lark Apartments, 1701 1st Street NW
- The Portage, 1521 23rd Street S.
- Southwinds Estates, 1615 Oasis Court

During focus groups held to assess community housing needs for the Consolidated Plan, numerous participants commented that the city needs additional affordable senior housing. Subsequently, staff asked ASI if they would consider developing another property in Great Falls. Their response was positive, and since that time, ASI has worked to put together a viable funding package for such a project. By combining funding sources including Low Income Housing Tax Credits (LIHTC), Montana State HOME Program funds, and City HOME funds (\$350,000), the \$7.4 million project will help to fill the housing need identified in the Consolidated Plan.

Significant Impacts

The proposed housing development is a 38-unit accessible, affordable senior rental to be located on a 2.4 acre parcel of land situated on the west side of Division Road, north of 16th Avenue NW. The site is located adjacent to Great Falls Medical Clinic Northwest and the parcel's west boundary line abuts ASI's Meadow Lark Apartments. The apartment complex will be restricted to residents age 55 and above. Thirty-seven units (37) will be affordable to seniors having incomes at or below 60 percent of Area Median Income. Eight (8) of the units (22% percent) will be fully wheelchair accessible for low and very low-income seniors, including frail elderly with physical disabilities. One unit will be set aside for on-site management.

The proposed financing for the project will include equity from the sale of 2013 9% Low Income Housing Tax Credits, HOME funds from the Montana Department of Commerce, HOME funds from the City of Great Falls, Federal Home Loan Bank Affordable Housing Program funds and conventional construction and permanent debt financing. The estimated total development cost is \$7.4 million or about \$195,000 per unit. Based upon successful applications for funding in 2013, construction of the development would begin in October 2014, with construction completed in October 2015 and 100% lease-up in March 2016.

Citizen Participation

The Montana Department of Commerce requires each applicant for HOME funds to hold a minimum of one public hearing prior to submitting an application to the MDOC and prior to passage of a resolution by the governing body authorizing the submission of the application. The public hearing was held by the City Commission on December 18, 2012, in conjunction with the CDBG Needs Public Hearing.

Conclusion

Adoption of Resolution No. 10082 will enable the City to accept HOME funds from the Montana Department of Commerce to create housing for our growing senior population. Quality affordable housing for this burgeoning demographic will be an asset to the city housing inventory and the construction of the units will have a positive effect on the local economy.

Fiscal Impact: Acceptance of grant funds will bring \$750,000 to the City to help in development of much needed affordable senior housing. Additionally, the project would create construction and construction-related jobs.

Alternatives: Adopting a resolution authorizing acceptance of grant funding is a pre-condition for the City to receive State HOME grant funds from the Montana Department of Commerce. Alternatively, the City could choose to not accept the HOME funds and not support the project.

Attachments/Exhibits:

Resolution No. 10082
ASI State HOME Award

RESOLUTION 10082

A RESOLUTION TO APPROVE AUTHORIZATION TO
ACCEPT STATE HOME GRANT FUNDS FROM THE
MONTANA DEPARTMENT OF COMMERCE

* * * * *

WHEREAS, in 2013 the City of Great Falls, Montana applied for federal, state, local and private funding for development and new construction of Voyageur Apartments, a 38-unit accessible, affordable rental housing complex; and

WHEREAS, the City of Great Falls, Montana may appropriate federal or state money received during the fiscal year by formal resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF GREAT FALLS, MONTANA:

The City of Great Falls, Montana is authorized to accept the following grant funding to perform the above stated project; and

The City of Great Falls, Montana will ensure that it and all of its contractors or agents shall conduct all program matters in a non-discriminatory matter such that all persons regardless of race, gender, age, disability, or other protected class shall be treated equally, and further, each shall comply with the policies and procedures of the Montana Department of Commerce HOME Investment Partnerships Program; and

The City of Great Falls, Montana hereby appropriates the sum of \$750,000 and directs the City of Great Falls, Montana to allocate said amount to the following program activities:

EXPENDITURE CODE	SOFT COST	ACTIVITY COST
2945.71.752.47330 - CD771401	\$ _____	\$ 750,000
TOTALS:	\$ _____	\$ 750,000

BE IT FURTHER RESOLVED BY SAID CITY COMMISSION that this Resolution shall become effective immediately upon its passage and approval.

PASSED AND ADOPTED by the City Commission of the City of Great Falls, Montana, on June 17, 2014.

Michael J. Winters, Mayor

ATTEST:

Lisa Kunz, City Clerk

(SEAL OF CITY)

APPROVED FOR LEGAL CONTENT:

Sara Sexe, City Attorney

OFFICE OF THE GOVERNOR
STATE OF MONTANA

STEVE BULLOCK
GOVERNOR



ANGELA MCLEAN
LT. GOVERNOR

May 7, 2014

Mayor Michael Winters
City of Great Falls
PO Box 5021
Great Falls, MT 59403

RECEIVED

MAY -8 2014

CITY CLERK

Dear Mayor Winters:

On behalf of the State of Montana, it is my pleasure to notify you that the City of Great Falls has been selected for a HOME Investment Partnership Program (HOME) award in the amount of \$750,000 for the Voyageur Senior Apartments housing project.

Projects such as this help meet the housing needs of communities across the state as well as provide hundreds of good-paying jobs for residents of those communities.

You will be contacted directly with more information in the coming weeks by HOME staff. In the meantime, if you have any questions, please call Ms. Kelly Lynch, Division Administrator of the Community Development Division at the Montana Department of Commerce, at 406-841-2770 or by email at DOCHOME@mt.gov.

Again, congratulations and good luck on the successful completion of your housing project.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Bullock".

STEVE BULLOCK
Governor

Cc: Greg Doyon, City Manager, City of Great Falls
Dan Billmark, Accessible Space, Inc.