

A G E N D A R E P O R T

DATE December 20, 2005

ITEM 2006/2007 Community Development Block Grant Policies and Funding Priorities

INITIATED BY Community Development Staff

ACTION REQUESTED Approve Motion

PREPARED & PRESENTED BY Katrina Stark, CDBG Administrator

REVIEWED & APPROVED BY Mike Rattray, Community Development Director

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RECOMMENDATION:

Staff recommends the City Commission reaffirm the Community Development Block Grant (CDBG) policies and approve the 2006-2007 CDBG funding priorities.

MOTION:

I move to approve the CDBG policies, and approve the 2006-2007 Community Development Block Grant funding priorities.

SYNOPSIS:

The CDBG policies, adopted and amended as needed in previous years by the City Commission, are attached for the Commission's review. Staff is asking reaffirmation of these policies for use in the 2006-2007 CDBG allocation process.

Based on written and verbal comments given at the Community Issues and Needs Public Hearing held by the City Commission on December 6, 2005, staff is recommending the attached priorities for the 2006-2007 program year. Due to an anticipated 8%-10% cut in federal funding for the 2006-2007 grant cycle, two increases are recommended in the recommended funding priority categories from the 2005-2006 program year. The percentage allocated toward Affordable Housing and administration is both recommended for 20% of the funding percentage. Because Congress has not approved HUD's 2006 budget, the City does not know the actual grant allocation it will receive for this funding cycle. When notification of the actual grant amount has occurred, if this percentage of the grant is not needed or could be increased, the balance will be adjusted. With this change, the recommended amount of the grant to be allocated to Public Facility Improvements/Handicap Accessibility has been reduced to 45%. The suggested funding percentage allocated to Public Services remains the maximum allowed, 15%.

BACKGROUND:

The majority of the current CDBG policies were adopted by the City Commission during the block grant allocation process in 1994. The policies were amended in 1998, and have been reaffirmed annually.

The City Commission conducted a Community Issues and Needs Public Hearing on December 6, 2005. Based on the input from that hearing, written comments received, and the objectives of the Community Development Block Grant Program, funding priorities have been prepared.

The proposed 2% increase in Affordable Housing will be augmented by income from loan payment receipts through this next fiscal year. These housing programs are setup as revolving loan funds, and due to lower interest rates which generate home refinances, several loans have been repaid. This income will sustain the housing programs through the next year, and eliminates the need to apply for additional funds. The Administration priority includes funding administrative costs for the CDBG grant program, and fair housing activities.

Funding priorities will lay out the base for the Annual Plan required by HUD as part of the Consolidated Plan. Projects will be considered that fall into the guidelines established by these funding priorities.

Attachments: CDBG Policies
2006-2007 CDBG Funding Priorities
Community Needs Public Hearing Minutes & Written Comments

City of Great Falls
 Community Development Block Grant
 2006/2007 Funding Priorities

We have been informed to expect an 8% to 10% budget reduction. The final announcement of entitlement amounts has yet to be announced; however we are preparing our budgets on an allocation of \$1,000,000 in CDBG.

<u>CDBG Priorities</u>	<u>Funding Percentage</u>	<u>05/06</u>	<u>Entitlement</u>
Public Facility Improvements/ Handicap Accessibility (Includes Infrastructure, Park Facilities, Historic Preservation)	45%	(49%)	\$452,000.00
Affordable Housing (Includes Rehab Services)	20%	(18%)	\$200,000.00
Public Service Activities (maximum) (Benefiting low/moderate income persons)	15%	(15%)	\$150,000.00
Administration (maximum) (Includes Grant Administration & Fair Housing)	20%	(18%)	\$198,000.00
Total Allocation	100%		\$1,000,000.00

**City of Great Falls
Community Development Block Grant
City Commission Policies
December 20, 2005**

1. City Commission will determine the allocation of all CDBG projects.
2. The City Commission will conduct a Community Needs public hearing to allow citizens (especially low/moderate income persons) and city staff the opportunity to express their opinion as to the needs of the community that should be addressed with block grant funding.
3. The City Commission will determine priorities and allocate funding percentages to priority categories following the Community Needs public hearing.
4. The Community Development Department will make recommendations to the City Commission for any grant proposal applications not reviewed by the Community Development Council.
5. The Community Development Council will review and make funding recommendations for grant proposal applications, as directed by the City Commission.
6. The Community Development Council will review, prioritize, and make funding recommendations to the City Commission for all public service grant applications based on solicitation for proposals in an amount to be approximately 15% of the grant entitlement amount. The minimum grant request will be for \$5,000.
7. The City Commission will not fund proposals from agencies/departments whose last fiscal year or older CDBG funded projects will not be 75% complete by March 31st of the current year, unless a special public purpose exists for waiving the policy.

8. Private non-profit agencies will not be funded for staff salaries, benefits, office consumables, and rent payments for agency office space or utility costs.
9. City Commission will fund activities to further fair housing as a part of block grant administration.
10. Projects that leverage and/or match the CDBG funds will be given priority consideration for funding.
11. Handicap accessible projects that serve the largest number of the public will be given priority consideration for funding.

Previous version 12-16-2003

CITY COMMISSION PUBLIC HEARING
December 6, 2005

A public hearing was held as part of the regular City Commission meeting on December 6, 2005, at 7 p.m. in the Commission Chambers at the Civic Center. The hearing was held to provide an opportunity for citizens to advise the Commission on what the needs are of low income people in the community and how CDBG and HOME grant funds could be used to address those issues and eliminate community needs.

The following listing is a summary of the comments involving current community needs which were expressed in the hearing.

Karen Nebel, Neighborhood Housing Services. Ms. Nebel described the mission of NHS which is to provide affordable housing for low income people and she thanked the City for their 25 year partnership with NHS. She noted in the past two years NHS has renovated eight houses, moved two modular homes, and started construction on 10 houses through the Mutual Self-Help Program. In the upcoming year NHS will be renovating the Boyd Apartments to create nine townhouses and will continue to renovate and construct homes for low income people in Great Falls.

Owen Robinson, Center Stage Community Theater. Mr. Richardson reported the Center Stage group, a non-profit organization with an all-volunteer work force, provides inexpensive entertainment for the community. The theater building needs repairs to the roof and they will be requesting CDBG funds to assist with this project. They will also do private fundraising to obtain financing for this project.

Darlene Bos, Special Olympics of Montana. Ms. Bos stated she represents developmentally disabled people in the community and wished to bring to the attention of the City Commission that HUD considers all developmentally disabled people to be in the low income category.

Mary Ann Cosgrove, Skyline Education Center. Ms. Cosgrove noted Skyline is an alternative high school. They will be requesting CDBG funds to purchase a new van for the school if such a request is an eligibility activity within the grant program regulations.

John Hubbard, Great Falls. Mr. Hubbard stated street improvements are needed, especially in the Longfellow School area, and industry needs to be developed.