

CITY OF BILLINGS

CITY OF BILLINGS VISION STATEMENT:

“THE MAGIC CITY: A DIVERSE, WELCOMING COMMUNITY WHERE PEOPLE PROSPER AND BUSINESS SUCCEEDS.”

AGENDA

Council Chambers are Closed.
The meeting will be held remotely via virtual meeting room. Please see coversheet for details and instructions for viewing and participation.

May 11, 2020

5:30 P.M.

CALL TO ORDER: Mayor Cole

PLEDGE OF ALLEGIANCE: Mayor Cole

INVOCATION: Councilmember Ronning

ROLL CALL: Councilmembers present on roll call were: Shaw, Yakawich,
 Neese, Ewalt, Joy, Choriki, Purinton, Ronning, Boyett,
 Brown

COVID-19 Update by Unified Incident Command (UIC)

MINUTES: April 27, 2020 **APPROVED**

COURTESIES:

- None

PROCLAMATIONS:

- May 16, 2020 - Kids to Parks Day
- May 17-23, 2020 - Public Works Week
- May - Mental Health Awareness Month

COUNCIL REPORTS:

- None

ADMINISTRATOR REPORTS - CHRIS KUKULSKI

- Reminded Council that there would be a Budget Work Session meeting on Tuesday, May 12.
- There were no Ex-parte communications received after 3:00 pm.
- Informed Council there would be some staff memo formatting changes in order to give Council and the public more information.
- Stated all City vacancies were being reviewed before being filled.

PUBLIC COMMENT on “NON-PUBLIC HEARING” Agenda Items: 1, 3 and 7 ONLY. Speaker sign-in required. (Comments are limited to three (3) minutes or as set by the Mayor. Please sign the roster at the cart located at the back of the Council chambers or at the podium. Comments on items listed as public hearing items will be heard ONLY during the designated public hearing time for each respective item. For items not on this agenda, public comment will be taken at the end of the agenda.)

1. **CONSENT AGENDA** -- Separations: 1B, 1C, 1E, 1F, 1I AND 1M1

A. **Bid Awards:**

1. **W.O. 19-35: Metal Streets Improvements.** (Opened 4/28/20)
Recommend FirstMark Construction, LLC; \$593,995. **APPROVED**
2. **W.O. 20-04: 2020 ADA Ramp Replacement Project.** (Opened 4/28/20)
Recommend J&J Concrete, Inc.; \$202,130. **APPROVED**
3. **W.O. 20-20: Walter Pump Station Pump Addition.** (Opened 4/28/20)
Recommend Ace Electric, Inc.; \$563,883. **APPROVED**
4. **W.O. 20-27: WRF Fill Material Removal Project.** (Opened 2/11/20)
Recommend rejecting all bids. **APPROVED**

B. **Professional Services Contract** for W.O. 20-14: Wastewater Master Plan Update; Morrison Maierle; \$308,091. **APPROVED 10-0, BROWN ABSTAINED**

C. **Professional Services Contract** for W.O. 20-37: Stormwater Utility Development; FCS Group; \$159,619. **APPROVED 9-2, NEESE AND EWALT OPPOSED**

D. **Agreement** with Ecolane for MET Transit Paratransit Demand Response Scheduling and Dispatching Software System; \$125,758.85 for a five-year period. **APPROVED**

- E. **Amendment No. 2, W.O. 19-12: West End Reservoir Project**, Professional Services Contract, HDR Engineering; \$698,400. **APPROVED**
- F. **Amendment** to the 2018 Long Range Transportation Plan and recommend approval to the Policy Coordinating Committee. **APPROVED**
- G. **Grant Application Request** to submit application for AmeriCorps VISTA and authorize City staff to negotiate and finalize the project if awarded. **APPROVED**
- H. **Grant Application Request** to submit to the CARES Act funds for MET Transit and authorize the Mayor to execute the grant agreement with the U.S. Department of Transportation, Federal Transit Administration upon receipt of the grant offer. **APPROVED**
- I. **Donation** from Fagg Properties for analysis of expanding Downtown Urban Renewal District or formation of a new Urban Renewal District; \$1,500; and authorize the use of up to \$4,000 from both Downtown Urban Renewal District Tax Increment Finance and General Funds to complete the analysis. **APPROVED**
- J. **Preliminary Subsequent Minor Plat** of Willowbrook Subdivision, Amended Lot 4A, Block 1, generally located at 4432 South Frontage Road; Griffin Automotive Enterprises, Inc., owner; IMEG Engineering, agent. **APPROVED**
- K. **Second/Final Reading Ordinance 20-5735** expanding Ward IV (Annexation 18-06) for an approximate 1.769 gross acres and .958 net acres located east of 58th Street West and south of Rimrock Road. Doolen Property Trust, owners. **APPROVED**
- L. **Resolution 20-10870** relating to \$1,516,000 pooled Special Improvement District bonds, Series 2020 (SID 1408, 1410, and 1413); fixing the form and details and providing for the execution, delivery and security. **APPROVED**
- M. **Bills for the Weeks of:**
 - 1. April 6, 2020 **APPROVED 10-0, BROWN ABSTAINED**
 - 2. April 13, 2020 **APPROVED**

REGULAR AGENDA:

- 2. ***PUBLIC HEARING** approving Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) for Airport Revenue Bonds. See, [Special procedures required](#) on cover page. No action necessary.

3. **RESOLUTION 20-10871** authorizing the issuance of Airport revenue bonds through a negotiated sale and setting the parameters. **APPROVED 10-0, PURINTON ABSTAINED**
4. **PUBLIC HEARING** and approval of the FY20-24 Consolidated Plan and the FY20-21 Annual Action Plan and the allocation of Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) program funding. The Community Development Board recommends approval. (Action: approval or disapproval of Community Development Board recommendation.) **APPROVED**
5. **PUBLIC HEARING** authorizing filing of the Annual Federal Transit Administration Section 5307 Grant Application. Staff recommends approval. (Action: approval or disapproval of staff recommendation.) **APPROVED**
6. **PUBLIC HEARING AND RESOLUTION 20-10872** approving and adopting budget amendments for FY2020. Staff recommends approval. (Action: approval or disapproval of staff recommendation.) **APPROVED**
7. **RECONSIDERATION** of Resolution approving 2020 Missing Sidewalk Program. Staff recommends approval. (Action: approval or disapproval of staff recommendation.) **APPROVED 9-2, CHORIKI AND RONNING OPPOSED**

PUBLIC COMMENT on “NON-AGENDA ITEMS”. **Speaker Sign-in required.**
(*Restricted to ONLY items not on this printed agenda. Comments are limited to 3 minutes or as set by the Mayor. Please sign the roster at the cart located at the back of the Council chambers or at the podium.*)

COUNCIL INITIATIVES:

- None

ADJOURN: 9:24 pm

Meeting Date: 05/11/2020
Title: Public Hearing & Action on Consolidated and Annual Action Plans and CDBG & HOME Budget Allocations
PRESENTED BY: Brenda Beckett
Department: Planning & Community Services
Presentation: Yes

PROBLEM/ISSUE STATEMENT

The City Council is scheduled to hold a public hearing on the five-year Consolidated Plan and the FY2020-2021 Annual Action Plan and the allocation of Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) program funding. The public hearing is a mandatory condition to receive U.S. Department of Housing and Urban Development (HUD) entitlement funding. City Council action is needed to approve the five-year Consolidated Plan and the Annual Action Plan and budget recommendations in preparation for HUD submission (see Attachment A).

The City of Billings was informed on April 9 it is receiving an additional \$386,973 in Community Development Block Grant funding for grants to prevent, prepare for and respond to the COVID-19 outbreak in our community. This funding is coming through the CARES Act passed by Congress in April. The City will still need to follow all federal requirements, but there are some waivers on the timing and public noticing for action on the funding process. City Community Development staff met with RiverStone Health staff several times in April to discuss both short term and long term efforts to mitigate COVID-19 in the community that the funding might be applied to. Specific projects or programs are still being evaluated, but staff plans to bring recommendations for consideration at this meeting to ensure the process moves as quickly as possible and the funds may provide the greatest impact for our community. RiverStone staff, City staff and the Community Development Board have worked to be creative and forward thinking in this situation where there may be some long lasting support needed in our community response to COVID-19.

ALTERNATIVES ANALYZED

City Council may:

- Hold a public hearing and approve the five-year Consolidated Plan, the Annual Action Plan, and the allocation of CDBG and HOME funding as recommended by Staff and the Community Development Board.
- Hold a public hearing and approve the five-year Consolidated Plan, the Annual Action Plan, and the allocation of CDBG and HOME funding based on alternative funding strategies as determined by the City Council (please refer to the Funding Allocation Requirements section of this Council memo).
- Not hold a public hearing and do not approve five-year Consolidated Plan, the Annual Action Plan, and the allocation of CDBG and HOME funding and return funding to HUD.

FINANCIAL IMPACT

Staff anticipates an allocation of \$657,820 in new CDBG and \$349,144 in HOME funding to the City of Billings for use in affordable housing and other projects benefiting low income residents for FY2020-2021. Additional CDBG and HOME funding is anticipated through loan repayments in programs such as First Time Home Buyer and Housing Rehabilitation. Additional CDBG funding of \$386,973 from the CARES Act to respond to COVID-19 is also available. The Corporation for National and Community Service also has awarded the City of Billings \$797,248 in federal funds to support the Billings Metro VISTA Project contingent on the City's CDBG allocation supporting the program.

Estimated federal revenues for CDBG and HOME programs and Staff / Community Development Board recommendations are attached (Attachment B). Recommendations comply with funding limitation requirements. Any program income received will be allocated on a close- and shovel-ready basis in previously approved programs, such as First Time Home Buyer, Housing Rehabilitation, Foreclosure Acquisition / Rehabilitation, Affordable Housing Development, and the Billings Metro VISTA Project.

BACKGROUND

Introduction

The five-year Consolidated Plan is required for participation by the City of Billings in HUD programs; CDBG and HOME. The purpose of the Consolidated Plan is to identify the housing and community development needs of low-income households in Billings and develop strategies for

addressing those needs in a comprehensive, coordinated manner utilizing available federal and non-federal resources. The Plan addresses current housing needs and the priorities identified in the Plan's Housing Needs Assessment, Market Analysis and the Analysis of Impediments to Fair Housing Choice as required by HUD. Assessment and analysis documents can be viewed online at www.CityofBillings.net/CDreports.

The Consolidated Plan and Annual Action Plan can be viewed online at: <https://ci.billings.mt.us/2006/Consolidated-Plan-Annual-Action-Plan>

The City is also required to prepare and submit Annual Action Plans in alignment with priority needs identified in the five-year Consolidated Plan. The Community Development Board has completed the public input process and funding allocation recommendations for the Consolidated and Annual Action Plans.

Procedural History

The City of Billings has been a recipient of CDBG funds since the mid-1970s and HOME funds since the early 1990s (approximately \$46 million). These funds have been provided and monitored by the federal government and must be primarily targeted to address community affordable housing for low income citizens and poverty-impact needs in Billings.

To allocate CDBG and HOME resources, the Community Development Division and Board facilitated an extensive process to gather public input on the use of federal funds. Applications were available at the beginning of December and due at the end of January. Applications were then forwarded to the Community Development Board and recommendations were prepared for City Council consideration. The Board had originally planned to make its recommendations at its April meeting, but the COVID-19 outbreak required delays in some meetings while staff found ways to conduct virtual meetings and accommodate public participation. The Community Development Board rescheduled its meeting and prepared recommendations for the use of CDBG and HOME funds on May 5 during the Board's routine monthly meeting.

The City Council public hearing is required by HUD and is part of a 30-day minimum public comment period beginning March 28 and extending through May 11. The City Council is also scheduled to act on the CDBG and HOME programs during the May 11 meeting. The Annual Action Plan will then be submitted to HUD for review and, pending HUD approval, the program year will begin July 1.

Funding Allocation Requirements

Allocation recommendations conform to pre-determined spending requirements on several categories including: CDBG and HOME administration caps (maximum of 20% and 10% of new funding respectively); public service caps (up to 15% of new CDBG funding); and Community Housing Development Organizations (at least 15% of new HOME funding). Changes made out of compliance with federal spending requirements would place the City's entitlement status for federal funds at risk.

The allocation of funding is restricted by eligibility requirements for CDBG and HOME and must meet pressing citywide community needs as identified in the Consolidated Plan: affordable housing, housing choice, and poverty-impact. HUD policy prohibits the use of federal funds to supplant local government funds on projects communities typically underwrite, regardless of whether federal grant dollars are available.

FY2020-2021 Budget Recommendations

CDBG budget recommendations include the following:

- Administration set at the maximum cap; \$131,564.
- Housing Rehabilitation program support totaling \$50,000.
- Foreclosure Acquisition / Rehabilitation support totaling \$100,000.
- VISTA program support set at \$75,000, which will leverage nearly \$800,000 in grant funds from the Corporation for National and Community Service.
- \$235,000 in new FY2020-2021 funding and an additional \$150,000 in current FY2019-2020 CDBG revenue to support infrastructure development at the C & C Community, Inc. manufactured home park, facilitated by NeighborWorks Montana. The organization has committed over \$1.2 million to acquire the property to support 60 units of affordable housing and the home owners in the park are committing \$10,000 towards this phase of infrastructure development.
- Remaining CDBG funds will be allocated to the First Time Home Buyer program; \$66,256.

- Recommendations of allocation of the additional CDBG funds to respond to COVID-19 will be provided to the Council in advance of the May 11 meeting, but were not drafted at the time this memo was prepared.

HOME budget recommendations include the following:

- Administration set at the maximum cap; \$34,914.
- 15% of new HOME program funding set aside for Community Housing Development Organizations - as per federal regulation; \$52,372.
- Remaining HOME funds will be allocated to the First Time Homebuyer Loan Program; \$261,858.

Staff will be required to adjust the funding amounts allocated to each program if and when HUD notifies the City of grant awards. New CDBG and HOME funding and incoming revenues will be ultimately allocated on a close- and shovel-ready basis in order to ensure timely use of federal funds.

Program Income: Additional program income and revenues received from loan repayments will be allocated on a close / shovel-ready basis in previously approved programs. Program income must be allocated, committed and expended prior to drawing CDBG and HOME entitlement funds as per federal requirement.

Public Comment: Comments of the speakers at the public hearings may relate to funding amounts awarded, activities prioritized for funding with lower federal revenue allocations, and general comments regarding the Annual Action Plan for FY2020-2021.

Proposed Program Elimination: Over the past several years, federal budgets have included the proposed elimination of CDBG, HOME and AmeriCorps VISTA. If federal funding programs are reduced or eliminated, the City's federal Community Development programs would also be reduced or eliminated. However, while some budgets proposed by the current Administration have proposed severe cuts or elimination of CDBG, HOME and AmeriCorps VISTA, Congress has continued to ultimately fund the programs at varying levels in each of the past annual Federal budgets. Staff continues to annually monitor the budget process in Washington, DC.

STAKEHOLDERS

Stakeholders for CDBG and HOME programs include:

1. Program Recipients - The City serves low income households through a variety of affordable housing programs such as home repair, home buyer, etc. Full descriptions of available programs can be found online at www.CityofBillings.net/comdev.
2. The Community Development Board - As an advisory body to the City Council, the Board provides detailed oversight to both the CDBG and HOME programs throughout the year. The Board also facilitates a public input process to prepare recommendations for the City Council consideration. Six of nine total Community Development Board members are representatives of low-income neighborhoods either by residence or task force delegation, ensuring low-income citizen involvement of planning and allocation processes.
3. Neighborhood Task Forces - Task forces have historically been consulted regarding housing and neighborhood programs relative to community need. Funding recommendations are in alignment with task force priorities including emphasis on housing programs.
4. Non-Profit Organizations - Community organizations serving those experiencing poverty are supported by the Billings Metro VISTA Project. AmeriCorps VISTA members assist in the provision of needed services to those in need.

CONSISTENCY WITH ADOPTED POLICIES OR PLANS

Consolidated Plan: Projects proposed are consistent with the goals and priorities of the five-year Consolidated Plan for the use of CDBG and HOME resources in Billings. The following strategies are proposed for approval by the City Council in the Consolidated Plan to address Billings' housing and community development needs:

- Create, preserve, and expand affordable housing options.
- Neighborhood Revitalization: Foreclosures.

- Impact Poverty.

Additional information regarding each strategy is located in the drafted five-year Consolidated Plan and the Annual Action Plan; Attachment A. The Consolidated Plan, including the Housing Needs Assessment and Market Analysis, Analysis of Impediments to Fair Housing Choice, and the drafted plans can be found online: www.CityofBillings.net/conplan.

SUMMARY

City staff and the Community Development Board have made recommendations for CDBG and HOME budgets and the five-year Consolidated Plan and Annual Action Plan is ready for Council adoption. The City Council is asked to consider public input received and make a final decision on the Consolidated and Annual Action Plans and accompanying CDBG and HOME budget.

Attachments

[B - FY2020-2021 Revenues and Recommendations](#)

[C - CD Board Recommendation Memo - C&C Community](#)

[D - C&C Development Agreement](#)

[E - Allocation and Funding History](#)

[F - Drafted Analysis of Impediments](#)