



City of Denton

City Hall
215 E McKinney St.
Denton, TX 76201
www.cityofdenton.com

Meeting Minutes

Community Development Advisory Committee

Thursday, February 28, 2019

5:00 PM

City Hall East
Second Floor Conference Room

Members Present: Mary Beth Cottingham, Jane Piper-Lunt, Larry Varnes, Kiara Hunter, Jodi Vicars-Nance, Fran Witte, and Megan Bradshaw

Members Not Present: Michael Redwine and Randi Skinner

Staff Present: Luisa Garcia, Dani Shaw, and Sarah Kuechler

After determining a quorum, the chair called the meeting to order at 5:03 p.m.

A. CDAC19-001 Consider approval of the minutes of October 17, 2018 meeting.

Chair, Larry Varnes, asked members to consider approval of the minutes from the October 17, 2018 meeting. Staff provided one correction to the minutes to change Carla to Carl. Fran Witte moved that the minutes of October 17, 2018, be approved as corrected. Jane Piper-Lunt seconded the motion. The motion carried.

B. CDAC19-002 Receive a report, hold a discussion, and give staff direction regarding submitted Community Development funding applications.

Luisa Garcia introduced herself as the new Committee Liaison. Ms. Garcia also introduced Danielle Shaw, Community Development Manager and Sarah Kuechler, Director of Public Affairs.

A binder was provided to the committee with eight applications, a committee roster, meeting agenda, Agenda Information Sheet, and exhibits. Staff provided a summary of the Agenda Information Sheet for Agenda Item CDAC19-002 at Exhibit 1 and an overview of Exhibits 2 through 6. The CDAC Funding Application was released on November 1, 2018. Staff provided mandatory application training on December 13, 2018, January 23rd, and January 25th to 10 organizations. In addition to the application process, the training provided information to potential applicants including federal requirements and procurement process. The deadline for application was January 30, 2019, at 4 p.m. Eight applications were submitted for a total of \$1,040,990. Agencies also submitted Articles of Incorporation, Bylaws, Texas Certificate, Tax Status, Board of Directors Roster, Current Budget, 3 years of Financial

Information and monitoring reports. A link to a DropBox will be emailed to the committee that includes all of the additional agency information.

Staff provided an overview of Exhibit 3 – 2019/20 PY Funding Summary. The total estimated funding for committee recommendations for the 2019 program year is \$1,482,968. The total funding available includes reallocated funds from the 2017 Infill New Construction Program for \$150,000. The Infill New Construction Program has not been able to locate an available lot for new housing construction. Staff vetted two city-owned properties but had issues for developing housing units. Several owners of vacant lots were also contacted to determine interest in selling. Of those contacted, the seller was not interested or the selling price was too high. Since the funding is 2017, HUD requires to be committed with two years by August 2019, staff decided to have the funds reallocated. The 2018 funding for Health Services of North Texas Improvement Project will also be reallocated. The project was canceled by the agency.

Committee member stated that based on the estimated funding available, more funding is available than was requested. Committee member asked about the timeline for receiving the final grant allocations from HUD. Staff stated that the timeline for the actual funding allocation amount is unknown. Last's year amount was provided by HUD in May 2018. Staff also mentioned that the advertisement for the 2019 Action Plan will include a statement on how the City of Denton will handle any difference between the estimated funding amount and the actual. This statement could be discussed as a committee at the time of funding recommendation. Staff stated that the unallocated amounts could be listed as unprogrammed funds which would allow the committee to request a second round of application for consideration.

Staff provided a summary of Exhibit 4 – Funding Recommendation Chart. The chart shows the total amount requested is \$1,040,990 with a difference of \$441,978 between estimated funding available and requested.

Staff provided the committee with Exhibit 5 – Application Checklist. The committee reviewed the eligibility activity for CDBG and HOME and national objective addressed in each application. The checklist indicated if the application submitted was complete including additional information requested from non-profit organizations documenting non-profit status.

Staff provided an overview of the following eight CDAC funding applications.

1. CASA of Denton County requested funding for completing building repairs to CASA's administration building including roof, foundation, exterior AC units, and ADA accessibility improvements. Projects to the administration building were determined to be ineligible for CDBG funding except for the ADA accessibility improvements. According to CASA, the total cost for the ADA accessibility improvement is \$40,000. The application includes a letter from CASA with the revised request amount.
2. Denton Affordable Housing Corporation requested funds to renovate two rental duplexes on Strata Drive and operating costs. This request is eligible for HOME funding as part of the fifteen percent Community Housing Development Organization (CHDO) set aside.

3. Grace Like Rain, Inc. requested \$87,128 for pre-development costs for a transitional housing project. The request included \$18,000 in contingency costs. Contingency costs are not eligible for CDBG funding. Staff also requested HUD guidance on this type of project. Staff provided an overview of the project including that the non-profit did not own the land. According to guidance provided by HUD, a long-term lease may be acceptable. HUD also stated that this type of project would be eligible for CDBG funds. However, the project would not meet a national objective until the project was constructed and the City reported beneficiary information. If the project is not carried out or completed, the funds would have to be repaid. Also, if the organization has not secured sufficient funding for all construction costs before starting construction, then the CDBG investment may be at risk.
4. Habitat for Humanity requested funding for land acquisition for four lots for \$220,000. This application is eligible for HOME funds.
5. Community Development Division requested CDBG and/or HOME funds for the Home Improvement Program to rehabilitate or reconstruct housing and CDBG funds for personnel costs.
6. Community Development Division requested HOME funds for Homebuyer Assistance Program to provide down payment assistance and closing costs for first-time homebuyers.
7. Community Development Division requested CDBG funds for the new Major Systems Replacement Program to assist with replacing the major systems of a house.
8. Community Development Division requested CDBG for the Minor Repair Program for minor home repairs. Committee member asked what major systems were included in the Major Systems Replacement Program. Staff stated that the major systems include electrical, plumbing, HVAC, water heater and roof.

Staff provided a review of Exhibit 6 - 2018/19 Performance and Financial Quarterly Report for Quarter 1 ending December 31, 2018. The quarterly report provides year-to-date expenditures and outcomes for all current activities and programs. Staff provided an update on the status of all current projects and programs.

Committee member asked the reason why Health Services of North Texas canceled the project awarded funding for FY2018/19. Staff mentioned that it was easier for the agency to use general funds for the project versus using federal funds and complying with the extensive federal requirements.

Staff asked the committee if they had any questions for the agencies they would like provided during the presentations. Committee members had a discussion about Grace Like Rain, Inc., and CASA of Denton County. Staff stated that they would follow up with HUD to determine if a non-profit has to own a project site or if a long-term lease would be an acceptable alternative.

Staff provided an overview of the next meeting. The March 7, 2019 meeting is scheduled for funding presentations from four agencies. The March 21, 2019 meeting is scheduled for funding presentation for the City's housing programs. Each presenter will be given five minutes for presentation and five minutes for questions and answers. The March 28, 2019 meeting is for making funding recommendations.

Committee member asked about the new Major Systems Replacement Program and the need for the program. Staff responded that the program was developed based on gaps in the current housing programs. The MSRP program would be able to assist a first-time homebuyer purchase a home that is not the best condition and cover the replacement most of the major systems in the house while preserving an existing affordable home in Denton.

Committee member inquired about the number of Homebuyer Assistance Program household assisted in the previous year. Staff responded that only four households were assisted because of the lack of affordable homes. Committee member asked if the same agent assisted the four households. Staff responded that each household was assisted with a different agent and lender. The program requires that buyer's utilized a Participating Lender and Buyer's Agent. Committee member asked if prefab housing is allowed in the HAP program. The program allows assistance for a single-family unit that includes modular homes, duplex, and the traditional single unit. Currently manufactured and mobile homes are ineligible for the program.

Staff reviewed the upcoming meetings that included March 7, 2019, at 5:00 p.m., March 21, 2019, at 5:00 p.m. and the last meeting on March 28, 2019, at 5 p.m. Staff provided an update on the new process for committee meetings. All agenda items will go through Legistar similar to City Council meetings. An agenda packet generated from the Legistar system will be emailed to the committee prior to the meeting. The agenda packet will include the agenda, agenda information sheets (AIS) for every agenda items and exhibits associated with the AIS. The funding recommendation meeting on March 28, 2019, will be videotaped and will take place at the City Council Work Session room.

Having no other business, the meeting was adjourned at 6:14 p.m.

Minutes Respectfully Submitted by Luisa Garcia, Staff Liaison to the CDAC Committee.

Minutes Approved: March 28, 2019