Missoula Board of County Commissioners

PUBLIC MEETING MINUTES

THURSDAY, JULY 28, 2022 – 2 PM

1. **CALL TO ORDER**

Commissioners Present:
Chair Vero
Commissioner Slotnick
Commissioner Strohmaier

County Staff Present:
Violet Plummer, Administrative Assistant, Commissioners' Office
Sindie Kennedy, Grants Administrator III, Community and Planning Services
Emily Brock, Director of Economic and Land Development, Commissioners' Office
John Hart, Civil Deputy County Attorney, Attorney's Office
Jerry Marks, Department Head, Weed/Extension Office
Steve Niday, Surveyor Party Chief, Surveyor's Office
Sam Scott, Assistant Recording Director, Clerk and Recorder's Office
Billie Ayers, Fairgrounds Events & Operations Manager, Fair
Sarah Bell, Grants Administrator, Community and Planning Services
Heidi West, Grants Administrator III, Community and Planning Services
Shane Stack, Director, Public Works
James Wilson, Training & Development Coordinator, Clerk and Recorder's Office
Deidad Wright, 4-H Program Assistant, Weed/Extension Office
Chris Lounsbury, Missoula County Chief Administrative Officer
Kayla Talbert, Grants Administrator II, Community and Planning Services
Anne Hughes, Missoula County Chief Operating Officer
Erik Dickson, Transportation Engineer, Public Works
Vincent Pavlish, Civil Deputy County Attorney, Attorney's Office
Patricia Spotted Wolf, Administrative Support Specialist, Commissioners' Office
Allison Franz, Communications Manager, Communications
Dylan Jaicks, Civil Attorney I, Attorney's Office
Carey Powers, Communications Coordinator, Communications
Emmie Bristow, Community Engagement Coordinator, Communications
Chet Crowser, Director, Community and Planning Services
Melissa Gordon, Grants Program Manager, Community and Planning Services
Jason Emery, Missoula County Chief Information Officer
Brent O'Connor, Engineering Technician – Subdivisions, Public Works
Mel Fisher, Strategic Initiative Manager, Communications and Projects
Erica Grinde, Director, Risk and Benefits
Juniper Davis, Parks, Trails & Open Lands Program Manager, Community and Planning Services
Garrick Harmel, Housing Specialist, Community and Planning Services

Brian West, Civil Deputy County Attorney, Attorney's Office
Laurie Hire, Office Manager, Community and Planning Services
Travis Ross, Parks & Trails Operations Administrator, Community and Planning Services
Glenn Ingram, Temp, Community and Planning Services
Kyla Lehnerz, Administrative Assistant, Commissioners' Office

Public Present:

Jon Turner	Tom Bourguignon	Pat Koster
AJ Sharkey	Jeremy Keene	Lee Bennille
Gus Turner	Garry Swain	Jeri Delys
Maurice Austin	Lara Honnig	Karissa Trujillo
Ramona Holt	Dan Semmens	Sierra Ryder
Libby Maclay	Larry Evans	Kelsey Lappier
Jim Morton	Colleen Schiele	Ryan Stutzman
Ruth Burke	Colton Schiele	John Firehammer
Joey Hennes	Lain Schiele	Jenny Tollefson
Denise Elliott	Bart Morris	Heather
Randa Boler	Bonnie Buckingham	Bret Serbin
Chris Kneib	Amos Templer	Tony A. Evans
Eric Melson	Reuben Frey	Ryan Salisbury
Leah Nelson	Marilyn Mackay-Mead	David Sanborn
Allyson Nelson	David J. Mead	Kate Leonberger
Oralee Stark	Tucker Sargent	Caspen
Grace Hoene	Ryan Swentik	Will Grossmann
Erin Erickson	Sandy Evans	C. Coastal
Bea Erickson	Linda Yearous	Jean Marie
Henry Erickson	Ryan Yearous	

2. PLEDGE OF ALLEGIANCE

3. LAND ACKNOWLEDGEMENT
Missoula County acknowledges that this event takes place in the aboriginal territories of the Salish and Kalispel people.

4. PUBLIC ANNOUNCEMENTS

5. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

6. CURRENT CLAIMS LIST
Claims received as of July 14, 2022 to July 20, 2022 by the Commissioners' Office total $2,681,590.93.

7. HEARINGS
Note: Only Hearing A, Community Development Block Grant Housing Rehabilitation Application, included.

Commissioner Vero: [00:00:03] We have three hearings today. We'll get started with Heidi West, with Community Development Block Grant housing rehabilitation application. And how these hearings will go, there'll be a staff report followed by the developer or the project manager report. Then there's--we'll open it up for public comment. Please keep your comments to three minutes. We'll try to time you and help you out. And then we'll close public comment, and then the commissioners will discuss. Okay, Heidi, it's all yours.

a. **Community Development Block Grant Housing Rehabilitation Application**
Heidi West, Grants Administrator, Community and Planning Services: [00:01:49] Great. Thank you. So, I'm obviously coming from you virtually, but I'm also joined in person by my colleague, Sindie Kennedy. And I'll go ahead and share my screen. One second. This is my first time to present, and I chose to do it virtually, which is challenging. Alright, let me know if you can see the presentation.

Commissioner Vero: There we go, yes.

Heidi West: Alright. Thank you. Alright. So, we are here to present Missoula County's application to the Montana Department of Commerce Community Development Block Grant, or CDBG, Housing Stabilization Program. Also with us are Jim Morton and Ruth Burke from the District 11 Human Resource Council, who will provide program-specific details and answer questions. This is our second public hearing in the grant application process, and it's intended to provide notice of our application and the scope of the proposed project to the public and also provide an opportunity for public comment. Missoula County is applying for a non-competitive CDBG Housing Stabilization Grant to continue an owner-occupied housing rehabilitation program. This program currently exists in Missoula County and HRC [Human Resource Council] is our program partner. If this application is successful, Missoula County will enter into an additional five year agreement with the Montana Department of Commerce, and funds will be made available on a project by project basis. Our goal is to rehabilitate a minimum of ten homes during the next--during those five years. The CDBG Housing Stabilization Program funds can be used in a variety of ways, but this application is specific to owner-occupied, single-family housing rehabilitation. This is in line with the recently approved Missoula County Housing Action Plan: Breaking Ground. The owner-occupied housing rehabilitation program specifically meets Goal 2, which is to support programs and funding to help county residents afford housing. It also utilizes clearly-defined action steps within the policy to mitigate existing housing challenges. These are Action 2.2, which is to preserve low-cost, market-rate housing and Action 2.3, which is to rehabilitate homes occupied by low-to-moderate income residents. Housing was also the number one issue based on the responses during the most recent Community Needs Assessment. The survey asked respondents to rank strategies to expand the range of housing available. Sorry, I lost my spot. And this program captures four out of ten defined strategies to increase housing options. It maintains a supply of affordable housing, provides resources for homeowners to rehabilitate existing homes, provides the opportunity to increase the accessibility for people with disabilities and also allows aging in place. And it also includes a financial counseling component. The program will be available for owner-occupied, single-family households that earn 80% or less of area median income. Right now, that is $65,000 for a family of four. Homes must also be located outside of Missoula City limits. To provide more details on specific program implementation, I would like to turn it over to Jim Morton and Ruth Burke from the Human Resource Council. I think they should be present virtually as well.

Commissioner Vero: Yep. We can see them.

Commissioner Slotnick: [00:05:57] They're present in person, Heidi.

Heidi West: Oh, are they? Perfect, that's even better.

Ruth Burke, Human Resource Council: [00:06:02] Hi, I'm Ruth Burke from the Human Resource Council.

Jim Morton, Human Resource Council: [00:06:05] And I'm Jim Morton from the Human Resource Council. We'll go over briefly, but hopefully there'll be questions. As Heidi mentioned, this is an income-restricted program, and there are determinations of income that are following program development rules. In terms of rehabilitation, what we're looking at is to provide items that are related to the structure, the health and safety. We don't do anything cosmetic. There are lots of rules about what we can do. We do have a staff architect that will review the needs. In terms of the process, we determine the owner's equity. We'll get a market analysis, usually not an appraisal, because that costs the owner. And we are interested in the equity part of it. We do not require any particular score on a credit score. We want to make sure that we're aware of the liens, so we do a check with the title company. So, if somebody has the equity, maybe they have bad credit, that's fine with us. So, the benchmark for that is that we have an 80 percent equity, so that--we explain all of that during the application. Our loan officer will go through the documents. We do take a lien on the property. We will take a third lien to, again, depending on the equity, we add up all of that. The idea is to be as understanding as possible to get out there and get the job done. The other part of it that we emphasize is the loan. You know, a lot of folks are not used to going, getting loans, all the documents, the liens. So, part of the process is to explain that. That's also a requirement that HUD [Department of Housing and Urban Development] has for the the loan. So, our loan officer explains what a lien is, how that's filed, explains all the documents, so the promissory note and any deed of trust that we file. And then, after all of that, and the architect has met with the owner, we ask the owner what their needs are and how they see their own home, because that's important. It is their home, and we want to make sure we are respectful of that. Again, there are things that we cannot do because of the rules regarding the program. So, as I said, we don't do cosmetic. But if it's health and safety, if there's an obvious code violation, we will try to address that. As you know, the code is an ever-evolving document. Things might have been permitted 20 years ago, and they still might be allowable. So, we take that into consideration. There are always going to be grey areas. Somebody has a fence, for instance, but may have lead-based paint that's chipping and peeling. We may think that's a detriment to the neighborhood. We might have to ask the State of Montana if that is something that is not cosmetic. If it's cosmetic, we can't do it. But those are grey areas where we try to do the best we can. So, Ruth, do you want to talk about the rehab?

Ruth Burke: So, the process begins with an application, a complete application from the applicant, from the borrower, the homeowner. The loan officer then looks at the income eligibility. We look at whether or not the items that we're going to be performing on the home fit that criteria that Jim had said. We do an inspection, so our staff architect goes out, meets with the homeowner at the site and fills out a form that dictates what code violations or what health and safety issues, in addition to whatever the homeowner might have identified that they want to do. Once the items are--the scope of what we're going to be doing is identified, then the homeowner looks for bids on those items. We try to get three bids, and in this market, I'd say that we don't always get two bids. We make attempts to get as many as we can. Usually, we just document--or we end up documenting that we've attempted numerous times and, you know, what the current bid is. It's hard to get the contractors scheduled. It takes a good amount of time, and we usually have to put down half of what the contractor payment is. We--once the scope is determined and the bids are in, then we turn it over to the county and the county does an environmental assessment. And then that's--they look at historical, they look at whether there's any issues, whether there'd be any environmental issues. And in all the time that we've been doing it, I haven't seen that come back where it's been an issue. And then it's the process of the county reviews the applicant's information, then it goes to the state for approval. Once that comes back, then we can start the actual rehab. It's a process of contracting with individual contractors, so there's not a general, or maybe the homeowner would be considered the general. And then each of the jobs that might be done, a roof or basement stairs or whatever it might be, then those are usually contracted out to individual contractors. They sign a contract with the homeowner, and our loan officer coaches them on what that contract should look like. And each time there's a draw on the money, the homeowner approves the draw and reviews it with the home--with our housing person. And then, close to the end of the whole process, when the job is done, there's a closeout process where we have to provide all the documentation to the county, and then the county provides to the state, and then we can ask for draws during the time period. So, if we have cash out on the project and the project is extended, then we can ask for a draw on it. But we typically are--have been waiting until the contract was done before we're asking to be funded. Let's see. So, then the close out of the project includes any of the final draws that we might have, and it includes all the documentation related to what was done. And our inspectors report that he went out and made sure that it was done and the homeowner also approves that all the work has been done. And then, as a final comment, it's pretty common--or what we see in those kinds of jobs is we might do a roof replacement, we might do windows and doors, we do energy conservation measures. We see heating and plumbing replacements pretty often. Those are kind of the typical things that we might see.

Jim Morton: One of--this is a contract between Missoula County and the Department of Commerce, a new subcontract. So, that's why we're explaining kind of that process, because you are ultimately responsible. So, we get that. One of the things that Heidi mentioned is that we're going to do a minimum. The way that the Department of Commerce has structured this particular Community Development Block Grant is that we do one at a time, which we understand, from our point of view is inefficient. We think--

Commissioner Vero: Jim, can you use--

Jim Morton: Yeah. In this environment, we could do better if we could do, let's say, five roofs at a time. That gets the contractor, you know, to plan out and mobilize, but that's not allowed. So, we have to complete the work, as we've said, do a closeout, which is a term of ours for CDBG before we can start another project. So, that's why we're saying we can only do two at a time. That is something I'm sure you and your staff have lamented, as we have, that it is--with all the work that needs to be done, and this environment where contractors are having a hard time with labor shortage, people are not going into the construction trades. And if we could go out to that labor market, I mean, to the contractors and say, here's, you know, five or ten homes, here's what they need, we could get things done quicker, but those are the rules. So, certainly we want to answer any questions you might have.

Ruth Burke: And one other comment I might have is that we--this is a continuation. We're currently operating the program. Our contract ends in December and then this is a continuation. So, we have already done outreach and we have 13 people that are on our waitlist for this kind of services. We're estimating ten will be done in the next five years. So, unless we need to go out for outreach, it's unlikely that we would do more outreach.

Commissioner Slotnick: Couple of questions for you. So, just to make sure that I understand, I might have missed something. So, I apologize in advance for that. This is a loan. This loan is paid back upon transfer of the property. There is no month-to-month debt service. Is that correct?

Jim Morton: Correct.

Commissioner Slotnick: I feel like that's an essential piece of this, because people who own houses typically have a bit of equity, could go to a bank to get a loan. But folks who are in the situation you're talking about, with these income minimums, wouldn't be able to meet the--wouldn't be able to service that debt. And this is actually an opportunity for people who are in that income bracket to make needed repairs to their houses.

Jim Morton: Correct.

Commissioner Slotnick: I just wanted to make sure that that was clear, especially for our audience here today. So, second piece of this. What are you guys doing to attempt to change the rules so that you can do more than one project at a time? As it is, the goal does not seem meetable.

Jim Morton: Yeah. We have for--this has been an ongoing discussion for some years. Again, there are three communities that receive these funds directly. We have, you know, Billings, Great Falls and Missoula, those three cities. Otherwise, the counties and towns and cities are the grantees. So, throughout the state, those jurisdictions have asked for changes. We've not seen them. But yes, we continually suggest to the Department of Commerce that. I think it's a budgetary concern with them because they don't--they reserve this money and then if there's too much usage, they can stop it. So, that's one of the arguments that I've heard, instead of just giving us a dollar amount. So, we do the city program, as Ruth mentioned, and they gave us a dollar amount, so many months to get it done. So, we know it can be done because it's the same money. But that's not how they do it.

Commissioner Slotnick: We have a new director of Department of Commerce. They seem very business-friendly and want to see action happen. So, I strongly encourage you guys to not have the sense that, "oh, this is a dead thing, we just have to live with it", but really continue to pursue change. And I think you may have more receptive ears now than in the past.

Jim Morton: Good point.

Commissioner Strohmaier: [00:17:15] Yeah. Thank you both. And just to follow up on that, please do lean on us. And I think we've had any number of conversations about this very topic before, where, as valuable as this program is, it does seem awfully process-rich, and if there's a way to streamline it and actually get more work done on the ground by way of not just kind of doling these things out sequentially, but taking more significant bites out of it, we would be all for that. And I think we would stand ready to engage directly with Montana Department of Commerce on that topic.

Jim Morton: Yeah. Yes. Good points. Thank you.

Commissioner Vero: Heidi, did you want to add to that?

Heidi West: Yeah. So, I have one more slide. And I think we are--the Department of Commerce just came out with their new allocation plan for this year, and we are planning on commenting on that as well. This program has a limited amount of funds that are being spent between--across the whole state, which makes implementation challenging. But our next steps here are to finalize collecting the public comment. We also posted about this project on Missoula County Voice, and we received 14 site visits and two comments. One was in exuberant support of this application, and the other one wanted to--asked us to ensure that this funding will be spent in the county. So, over the next couple of days, we'll finalize gathering the public comment, and then we hope to submit this application by the end of August. And then, if we are successful in this application, we hope that the next round of rehabilitation projects can start in the spring of 2023. So, at this point, that's the end of our application. So, I'd love to hear what folks have to say. Thank you.

Commissioner Vero: Great. Thanks. Well, is there anyone in the room who has comments or questions? Come on up.

Commissioner Slotnick: You're not all here for this hearing?

Commissioner Vero: We don't see anyone in the room. Is there anyone online or on the phone? Okay. Well, it's open?

Heidi West: Okay. Thank you.

Commissioner Vero: Thanks, Heidi.

Commissioner Strohmaier: Thank you.

Commissioner Vero: Okay. Go ahead.

Commissioner Slotnick: Ready for a motion?

Commissioner Vero: I don't think--

Commissioner Slotnick: Okay. Never mind. We're good.

[Public hearing closed.]

Commissioner Vero: Okay. We'll move on to our second hearing.

8. OTHER BUSINESS

9. ADJOURN
Chair Vero – Called the meeting to adjourn at 4:18 p.m.