

**COMMUNITY DEVELOPMENT BLOCK GRANT COMMISSION
REGULAR MEETING MINUTES
222 LaPorte Avenue, Fort Collins
March 7, 2018 – 5:30 PM**

*****SPECIAL MEETING*****

COMMUNITY DEVELOPMENT BLOCK GRANT COMMISSION MEMBERS PRESENT:

Taylor Dunn – Chair
Amy Dondale
Olga Duvall
Sara Maranowicz
Serena Thomas – Co-Chair
Stacia Ryder (departure – 8:13 PM)
Steve Backsen

COMMISSION MEMBERS ABSENT:

Anita Basham
Margaret Long

STAFF PRESENT:

Adam Molzer – Staff Liaison, CDBG
Ashley Johnston - Intern

AFFORDABLE HOUSING BOARD MEMBERS PRESENT:

Diane Cohn – Chair (arrival – 5:46 PM / departure 7:20 PM)
Catherine Costlow (departure 7:20 PM)
Jeffrey Johnson (departure 7:20 PM)
Curt Lyons (departure 7:20 PM)
Jennifer Bray (departure 7:20 PM)

BOARD STAFF PRESENT:

Sue Beck-Ferkiss – Staff Liaison, AHB (departure 7:20 PM)
Beth Rosen – City of Fort Collins, Affordable Housing Administrator (departure 7:20 PM)

At 5:36 PM the meeting was called to order by CDBG Chair Taylor Dunn.

I. PUBLIC COMMENT:

Taylor Dunn read a citizen letter received by the Community Development Block Grant Commission (“CDBG”) regarding discontinued funding and the decision effect on persons of limited abilities. The letter attached hereto. Adam Molzer said that there is current action on the issues advanced by this letter.

II. APPROVAL OF MINUTES:

Amy Dondale made a motion to approve the February 2018 minutes, seconded by Olga Duvall. The motion passed unanimously.

III. PRELIMINARY REVIEW OF PROPOSALS FOR FUNDING THROUGH THE COMPETITIVE PROCESS:

The members of both groups (Affordable Housing Board & Community Development Block Grant Commission) along with an abbreviated credentials summary introduced themselves.

Adam Molzer began by iterating that the goal of the evening will be a “high-level,” collaborative discussion to review forty-four (44) funding applications. The primary goal is formulating a list of particularized questions extracted from the applications. After forwarding same, principals of the organizations will be thereby prepared to address each question during the applications “presentations.” He noted that there were five (5) “Housing Applications” to deliberate first, whereupon the Affordable Housing Board (AHB) Members would be excused and, thereafter, the CDBG will discuss the remaining thirty-nine (39) applications.

Specifically, he asked that the group refrain from discussing funding for any proposal until after the presentations have been given due consideration along with the application materials and occasion for thoughtful deliberations thereafter. Adam also mentioned that he has asked that an individual familiar with each organization’s finances accompany each presenter at their presentation.

Both Taylor Dunn and Diane Cohn expressed that this meeting was a great opportunity for contribution from both groups and an occasion to gain a better understanding of the perspectives each group brings to the subject matter.

- **HO-1 Care Housing**

Beth Rosen started by explaining the request was a result of significant compliance deficiencies documented several years ago at the properties. She also offered that, while new to the organization, Steve Kuehneman (Executive Director), appears capable to guide and address any compliance issues with ADA requirements which is the crux of this funding request. Although there may have been risk or exposure in the past, the current leadership inspires confidence. There is an amount allocated for interior repair and a separate figure for the exterior in total and the CDBG is the singular pursued funding source. They are not eligible for CHDO (Community Housing Development Organization – HUD) funds. The goal is to stabilize the property.

Olga Duvall expressed some concern about the staff turnover and Beth Rosen noted that perhaps the Davis-Bacon Requirements (prevailing wage regulations) posed some additional issues. Another concern of Olga is plans for relocation assistance to tenants during the repair period. Olga requested documentation regarding precise plans should funding be approved.

Catherine Costlow was concerned the effects of non-funding on the facilities and the population served. Beth Rosen replied that there might be HUD ramifications and perhaps forfeited properties. Discussion ensued whether the organization could pursue other funding sources. Curt Lyons expressed concern about the stability of the organization to which Beth offered that the rent was stable while the concern is capital improvement reserves and long term maintenance.

Jennifer Bray worried that the funding request appears based on an outdated repair-quote and that actual present cost might be higher. She requests an updated estimate based on a current quote.

Jeff Johnson added that investors should receive notice re the tax credits because of the compliance issue. Diane Cohn noted importance of conveyance of this information to Steve Kuehneman. Beth Rosen added that there might result in termination of some investors.

Taylor Dunn requested financial information (Income/Expense) and Beth Rosen said she would forward same. There was a 2016 audit result included however.

- **HO-2 DMA Plaza**

Beth Rosen discussed that requested funding is for renovation on the entire property. She added that the property carries no debt, which directly relates to decreased maintenance costs and the resident affordability of the property. They have not received 9% tax credit financing and are working on 4% tax credit financing. Approval decisions may occur in July.

Diane Cohn mentioned that this project was priority last year. She added that the property offers very affordable rents (30% of gross income) to tenants with low incomes. Therefore, the need to extend the life of the building will correspond to the ultimate goal of keeping rents affordable.

Jeffrey Johnson mentioned leveraging with other tax credit projects. He also commended the strong leadership at the property adding that Mike Sollenberger (President) had extensive experience with affordable housing. Mr. Sollenberger expressed the desire to retain this project as a long-term affordable housing option in the city. Jeff noted a high level of local support for the project.

General discussion ensued about the developer fees. Following concern about the dollar value of the fees in this project, an explanation that there are several options with the fees such as deferrals or reinvesting in the property. A complex formula generates the developer fee and many factors are involved - each with different outcomes. This project is using a reinvestment option.

Discussion ensued on the costs of upgraded materials for the projects. Beth Rosen offered that the overall funding deliberations are more “high-level”. Jeffrey Johnson replied that longevity and quality is an important consideration in capital projects.

- **HO-3 Habit for Humanity**

Beth Rosen explained that this property was the only eligible applicant in this category of funding. Hence, they are requesting the full fund amount. They are the only project that did qualify for CHDO (Community Housing Development Organization – HUD) funds. The CHDO allocation has a two-year window on expenditure or it reverts to HUD. First National Bank and Woodward-Governor are considering significant contributions but in other areas of the project. Before this application, different funding structures existed and, at times, we had invested in the land acquisition for example. Ultimately, the less debt that Habit for Humanity carries, the better situation overall for everyone – especially the borrower. Members requested a funding update.

Agreement that there is general goodwill of the organization nationally. Specifically mentioned was that the property is already owned by the organization. Jeff Johnson added that there was positive diversity in the projects as well with, for example, home ownership opportunities. General agreement that home ownership is a stabilizing catalyst with surplus positive outcomes overall.

- **HO-4 Housing Catalyst**

Beth Rosen said this conceptualized project is applying for, and will find out the result of, 9% tax credit applications in the late fall or early 2018.

A sweeping discussion ensued amongst the group regarding the method of counting the variety of homeless population served and disposition of each case within the analysis. Olga Duvall offered that there is a tool called “VI-SPDAT” (Vulnerability Index Service Prioritization Decision Assessment Tool) which can assist in the data analysis and final outcomes of the organization activities. The methodology applies a scoring system per person, assigns a vulnerability score and thus assists in examination of results by helping determine the appropriate housing for each person based on many factors. This project is a “permanent housing” type of property.

Jennifer Bray appreciates the integration of this project within a residential versus a commercial area. Beth Rosen agreed and added that permanent housing leads to stability. Proximity to city transportation was noteworthy. There was general agreement that the location was ideal with vital community support.

- **HO-5 Neighbor to Neighbor**

Beth Rosen said that longevity was inherent in this project and that Davis-Bacon Regulations are considerations. She had some concern about staff experience with this type of project. Diane Cohen agreed that they appear strong in the “administration” field, and are currently obligated to increase the “Property Management” expertise. Beth offered that there can be city assistance in this area and that perhaps these skills can be “contracted out.” Serena Thomas noticed that Q17 and Q18 noted they had a Davis-Bacon project in 2017, so she thought the expertise might already exist.

Jeffrey Johnson noted that there was \$20K of organization funds allocated to supplement the requested funding amount and wondered if there were any reserves. Jeffrey and Steve Beckson recommended that the organization develop a future capital reserve and maintenance plan. Jennifer Bray inquired about the scope of their portfolio and if they could create reserves from across the organization. Taylor Dunn wanted to explore the plan for building their reserves internally as an indication of proficient management. Beth Rosen recommends equity assessment for the reserves and maintenance funds, and perhaps considering a refinance option as well. She added that the goal is that capital maintenance projects should occur in 20-year cycles. She also touched on the absence of leveraging in the application. General support for implementing a standard requirement that all applications submit a plan for creating reserves internally for future expenditures. Some discussion on LIHTEC (Low Income Housing Tax Credits) concerning these properties with a comment about the complexity of this program.

Olga Duvall expressed some concern re capacity. She said that she would like to see a detailed relocation assistance plan during construction given the strain at capacity.

Diane Cohn queried alternatives if the result is partial or no funding, what will they do? Taylor Dunn also pushed for a separate presentation (later this year) such that we have an in-depth assessment re future funding.

At 7:20 PM, the AHB members completed their review of the five (5) applications under their purview.

At 7:27 PM, only the members of the CDBG Commission considered the next thirty-nine (39) applications.

- **PF-1 – Child Safe**

Taylor Dunn noted that the capital campaign provided a major influx and was pleased with this metric. Adam Molzer pointed out that eligibility criteria made the application amenable to City Human Service Funds. Taylor Dunn asked whether a larger gift would make a more meaningful and long-term impact. Sara Maranowicz thought debt reduction should advance improved community outcomes. Serena Thomas thought this might lead to service of more clients in the future. Steve Backsen wanted to know if this request was direct to the mission.

There ensued a general discussion about the rental income and receipts utilization, specifically, categorization on the application. Adam Molzer will investigate and document the application history of Public Facility requests.

- **HS-1 Alliance for Suicide Prevention**

Amy Dondale questioned the assessment percentage and would like to see a higher percentage. Sara Maranowicz noted that suicide rates in Colorado are higher than the national average and was wondering what such programs are doing to adapt their programs going forward.

There was some discussion on the utility of printed materials. A theory that, perhaps (in a crisis for example) family members and friends might be able to read the materials secondarily. Printed materials can disperse vital information to the community.

When grant applicants have been ineligible or incapable of tracking AMI (Area Median Income), which have more specific criteria, then proposals have been directed to choose Presumed Benefits, which are the specific demographic the program serves such as the homeless. Staff will review this practice in the future.

- **HS-2 B.A.S.E. Camp**

General discussion that scholarship per person can be contracted to serve a greater population.

No specific questions.

- **HS-3 Boys & Girls Club**

Amy Dondale would like to see job descriptions for each position and proposes an earnest delve into the organization's other funding sources which appear robust. Steve Backsen would like a detail of the 990 (IRS Return of Organization Exempt from Income Tax) \$245K figure regarding salaries.

Serena Thomas noticed that there is a discrepancy between Q4 on the Pre-App and Q23 on the App and requested reconciliation. After some discussion, Sara Maranowicz cautioned assumptions about any organizational funding model. This, she said, is due to the Commission's limited information and the insufficient analysis of the situation considering the complexity of internal metrics behind each organization.

- **HS-4 CASA Program**

Olga Duvall and Serena Thomas discussed that without funding, children in crises solitarily navigate the complexity of our court system.

- **HS-5 CASA Program**

No specific questions.

- **HS-6 Catholic Charities**

Sara Maranowicz requested a breakout of the salaries and administration numbers. Steve Backsen would like a detail of the 990 (IRS Return of Organization Exempt from Income Tax) Q5 - \$333K figure.

Olga Duvall would like to address the specific services of Catholic Charities and in which way they differ from, for example, Lutheran Family Services and whether there is duplication of effort. The choice of AMI or Presumed Benefit on the application is confusing.

Serena Thomas noticed there are few Northern Colorado Board members.

- **HS-7 Catholic Charities**

Amy Dondale requested a breakout of the salaries for each position. Regarding Q19, Olga Duvall requested clarification on how quality improvement bridges to client comments and

decision-making. Olga also wanted an explanation on Q22 regarding measuring success by shelter and/or employment and stability.

- **HS-8 Center for Family Outreach**

Steve Backsen noted that it there was no funding offered in the prior year and would like to investigate the reason therefore.

Sara Maranowicz requested first, a list of staff and tenure, secondarily, a 2017 Financial Summary (revenue & expenses) and, finally an explanation of 2017 total youth assisted number compared to the 2018 anticipated number and elucidation therefore.

- **HS-9 Child Safe Colorado**

The budget numbers need to be completed. Adam Molzer will review.

- **HS-10 Northern Colorado Aids Project**

Steve Backsen discussed the changes to the requested funding from the prior year and the fluctuation of numbers for people served.

Serena Thomas requested an updated Cash Flows Statement. Steve Backsen reviewed the (dated) 2015 - 990 (IRS Return of Organization Exempt from Income Tax) and requested a detail on the total expenses of \$159K which appear incongruent to the funding and net results. Steve theorized that salaries are included in that figure.

- **HS-11 Crossroads Safe House**

Steve Backsen noticed a growth from 354 people served in 2017 to 500 anticipated in 2018 and he inquired as to the driver of that increase with a similar dollar value. He also thought there should be a plan for the reduction of the Line of Credit.

Sara Maranowicz requested more information on Q18 regarding outcomes of “2 Generation” model.

Serena Thomas asked if there were guidelines or restrictions on funding per item or type of expense. Adam Molzer said applications receive individual consideration concerning the organization mission and funding request, and, further that the criteria and determinations are flexible.

- **HS-12 Disabled Resource Services**

No specific questions.

- **HS-13 ElderHaus Adult Day Care**

No specific questions.

- **HS-14 Faith Family Hospitality**

Steve Backsen requested additional information regarding the “development delays” and the \$70K development fee in Q8.

Amy Dondale noticed that in the PreApp Q3 the reply is two salaries whereas in the App Q21 the answer is rent and one salary, she would like an explanation on this item. She also mentioned that in 2015 there was a request for the organization to increase family services. Serena Thomas explained that this organization had a model that housed families in churches.

- **HS-15 Food Bank Larimer County**

Steve Backsen requested an explanation on the 990 (IRS Return of Organization Exempt from Income Tax) Q11 212 versus 254 number.

- **HS-16 Homeless Gear**
Steve Backsen would like an explanation regarding the days of the week (Tuesday, Thursday & Sunday) the organization chose for street outreach. He also asked if \$32K was designated by United Way.
- **HS-17 Homeless Gear**
No specific questions.
- **HS-18 Kids at Heart**
Sara Maranowicz requested a clarification regarding the figures noted for the number of abused, foster and adopted children served. She thought that perhaps these numbers had overlap and would like to see a breakout. She desired an explanation of Q5 Presumed Benefit choice versus AMI.

There was also a query regarding the tracking of AMI (Area Medium Income).

Amy Dondale asked if FUNDANGO was the only program offered and, in reply, Serena Thomas said they also have summer camp. Amy also questioned whether “faith sharing” was a component of the program. Serena Thomas explained that this organization launched as a program of the church but has since become autonomous. As such, Adam Molzer added, there is not a prior year 990 (IRS Return of Organization Exempt from Income Tax) because this would be their first independent year. Serena also requested information on Q15 regarding the aggregation and analysis of comments from families that discontinue services.

- **HS-19 Larimer County Partners**
General discussion that this is a long-standing organization with ample community support. These observations segued to a question regarding the necessity for funds at this time. Amy Dondale thought that perhaps the increase in number of people served drove the funding request.
- **HS-20 Lutheran Family Services**
Serena Thomas mentioned that there are no Northern Colorado Board members listed.

Adam Molzer added that this organization is a satellite of the Denver office and subsidizes Northern Colorado. Members requested an explanation for fundraising numbers, which appear low compared to the expense of the organization. Taylor Dunn noticed a negative net income and thought perhaps there should be more institutional support. Steve Backsen requested a detailed explanation for the 990 (IRS Return of Organization Exempt from Income Tax) number listed for income. Olga Duvall asked for reconciliation for the contrary funds request (\$29K versus \$25K).

Steve Backsen noted that this organization appeared to focus on Care Management versus Direct Nursing Care. There was a subsequent request that the organization clarifies the difference in services provided from, for example, Catholic Charities. Olga Duvall also requested a more formal answer to the measurement of success.

- **HS-21 Neighbor to Neighbor**
Serena Thomas asked where to find the revenue from its “Polo” fundraising event listed. Steve Backsen requested an explanation of the 9-month \$616K reserve figure, and analysis of that number within the funding request.

- **HS-22 Neighbor to Neighbor**

Further discussion regarding revenue from the “Polo” fundraising event and where it is listed the application. Olga Duvall asked if they could realize profits by reviewing the structure of the “Polo” event.

Steve Backsen noted that the “dated” 990 (IRS Return of Organization Exempt from Income Tax) needed to be refreshed. There is, however, a current audit included.

- **HS-23 Partnership for an Age Friendly Community**

Serena Thomas began by asking for a distinction between the services of this organization and that of VOA (Volunteers of America) handyman and home services program. Steve Beckson noted that since the elder population is increasing, this program could become more important in the years to come. He admired the expansion plans and concepts for the future.

Taylor Dunn asks if this was expected to be an annual or “one-time request” and whether this was “start-up” funding. Sara Maranowicz added that she would like to see the costs per senior served decrease. She was also interested in the organization plans if the request only received partial funds.

- **HS-24 Project Self-Sufficiency**

Steve Backsen asked if this organization received support from the United Way. He noticed that on the 990 (IRS Return of Organization Exempt from Income Tax) listed exceptional (\$65K) “Investment Income”. He extrapolated that the investments (and endowment perhaps) must be substantial and wanted to explore this figure in more detail.

- **HS-25 Respite Care**

Again, Steve Backsen noticed that on the 990 (IRS Return of Organization Exempt from Income Tax) listed exceptional (\$186K) “Investment Income”. He extrapolated that the investments must be substantial and wanted to explore this figure in more detail.

- **HS-26 Sexual Assault Victim Advocacy Center**

Serena Thomas asked to discuss detail on fundraising, donations and organization versus program costs.

Discussion also centered on whether the budget that was submitted reflected the entire organization and not just the particular program seeking funding. Adam Molzer said that he had already noted the difficulty with this question and, going-forward, the form gives more clear and specific direction in answering this question.

- **HS-27 Summit Stone Health Center**

Sara Maranowicz wanted to know if there were any implications of changing to an RAE (Regional Accountability Entity) Q1.

Reviewing the 990 (IRS Return of Organization Exempt from Income Tax), Steve Backsen asked for more detail on the figure for Officer Compensation.

- **HS-28 Summit Stone**

Sara Maranowicz requested a breakdown of the budget in regards to the General & Administrative costs. She would also like a breakdown of the Occupancy Costs per locale (rent?) and a breakdown on the Total Salary (\$228K) per person.

Steve Backsen requested some additional information on the decrease between people served last year (404) and the current figure (290).

- **HS-29 Teaching Tree Early Childhood Learning Center**

No specific questions.

- **HS-30 TEAM Wellness and Prevention**

Serena Thomas requested more information on their programs and the possible overlap and differences with other similar organizations in the community. Members discussed that important changes to the organization have been advanced in the past few years and wondered if success been analyzed in light of those changes.

Olga Duvall and Amy Dondale noticed a discrepancy on the various funding figures requested (ranging from Q3 \$25K to \$23K in total) and requested more information and a reconciliation on those values. Taylor Dunn expressed interest to explore the Total Food budget (\$43K) to which Steve Backsen asked if the Food Bank could supplement this operation.

General discussion ensued regarding the different outcomes of, for example, Title 1 Funding (which is Federal) and various other metrics utilized to qualify for specific program funding (such as Free or Reduced lunch programs). A question was advanced regarding the AMI versus Presumed Benefit choice - is there a way to explore options for AMI reporting?

Steve Backsen requested detail on the Travel & Professional Development figure (\$30K) and more explanation re the Line of Credit and plans for paying it down.

- **HS-31 The Family Center / La Familia**

Serena Thomas asked for detail on staff salaries and benefits.

- **HS-32 The Growing Project**

Steve Backsen asked for details for \$117K in operating reserves to which Adam Molzer replied that this actually reflected committed funds for expenses in the current period. The organization is “forward thinking.”

- **HS-33 Matthews House**

Amy Dondale was unsure whether this was a current or “start-up” program and Olga Duvall noted that it appears to be a “pilot” program. Amy further explained that she would like to investigate whether a ready market exists for the type of services offered – is this program feasible. Sara Maranowicz added that she wanted to investigate Q15 in more detail. Steve Backsen offered that it appears the organization has changed its programs after acquisition.

- **HS-34 Matthews House**

Serena Thomas requested updated information on the Board of Directors, as some appear to be term-expired. Overall, some information appears dated.

- **HS-35 Salvation Army**

Taylor Dunn requested an inquiry regarding duplication of programs and services within the community. He asked if there was any collaboration between the various programs. Further, he said, could we make a connection between rent and utility assistance and people becoming self-sufficient?

Serena Thomas noted that on Q19 there is one week per month where the organization was available for assistance. She wants to inquire how this schedule corresponded to a “crisis” at other times of the month. Sara Maranowicz said the \$500 disbursement upon an eviction crisis might not be sufficient.

Steve Backsen added that Q17 re Eligibility should be illustrated during the presentation.

Sara Maranowicz requested clarification on the “Occupancy Costs” which appear high.

- **HS-36 Turning Point**

Steve Backsen noted that documentation was incomplete for their current grant invoice. Adam Molzer said that he is requested (in January) a “summary” of back-up their invoice documentation (copies of timesheets). Staff will closely monitor quarterly compliance efforts in the future and report any issues.

Sara Maranowicz inquired about their apparent ability to obtain Federal funding versus a request for city funds. Serena Thomas was confused about conflicting AMI and Presumed Benefits answers.

- **HS-37 Voices Carry Child Advocacy Center**

Sara Maranowicz requested a current Financial (Revenue/Expenses) Report. Steve Beckson noticed that, on the 990 (IRS Return of Organization Exempt from Income Tax), expenses (\$40K) might include Staff Salaries and he would like a detail of that figure.

- **HS-38 Volunteers of America**

No specific questions.

IV. OTHER:

Adam Molzer noted that all inquiries will be forwarded to the applicants. Answers are due March 16, 2018.

Adam thanked everyone for his or her time and energy this evening. He reminded the group that: Tuesday, March 20, 2018 is the next meeting date and the start-time is 5:30 PM. He also reminded the CDBG Commission of the compacted timeframes for each presentation.

V. ADJOURNMENT:

Meeting adjourned at 9:51 PM.