



ECONOMIC AND COMMUNITY DEVELOPMENT
CDBG Policy Committee Special Meeting
MINUTES
September 30, 2020, 4:00 p.m.
Executive Meeting Room, Bristol City Hall

ATTENDEES: Mayor Zoppo-Sassu, Commissioner Hick
Commissioners Schmelder, Zammett – (via Webex)

ABSENT: - - -

STAFF PRESENT: Justin Malley, Dawn Leger, David Sgro

GUEST: Craig Minor, Greater Bristol Realty Corp.

- I. Commissioner Schmelder called the meeting to order at 4:10 p.m.
- II. Commissioner Zammett made a motion to approve the minutes of the special meeting of July 2, 2020, seconded by Commissioner Hick. All voted in favor and the minutes were approved.
- III. Discuss revocation of \$28,000 grant and transfer of funds.

Dawn Leger provided an overview of the grant for Greater Bristol Realty Corp. when it was approved. The grant was extended on July 2, 2020 to September 3, 2020. This date has now passed. We have received a red flag from HUD as they have been looking for expenditures. Tomorrow begins Year 46. The \$28,000 is listed as cancelled in IDIS. This is their status (HUD). We must make clear to all grantees that the grant is for one year. The grantee must be ready with their plans and be able to spend their money within the year.

A letter than been received from the Greater Bristol Realty Corporation that the funding has been received and they can begin on the first phase construction. Dawn encouraged them to reapply in January. Mayor Zoppo-Sassu inquired about the cancellation and about extensions we have had in the past. There was a discussion on how the process works. The meaning of the red flags in IDIS was discussed and how this affects us. Commissioner Schmelder asked if HUD could be contacted and see if another extension was possible. After discussion, it was the consensus that the organization should reapply this year. Dawn reminded Mr. Minor that we cannot support any new construction with these funds and that the grant was meant for the sewer connection to the street. Mr. Minor provided input on their current process and activities and said that they would be looking to apply for funding for their phase II utility connection. The CDBG process and schedule in the coming year was explained. Commissioner Schmelder

emphasized that the application would be reviewed along with all the other applications in consideration.

Commissioner Hick made a motion to revoke the CDBG grant awarded to the Greater Bristol Realty Corporation in the amount of \$28,000 and to authorize to transfer those funds to Residential Housing Rehabilitation Program. Commissioner Zammett seconded the motion. All voted in favor and the motion passed.

Mr. Minor excused himself at 4:25 p.m.

IV. Review draft list of CDBG Policy clarifications, additions, and deletions suggested by staff.

Dawn introduced this subject. Many of the policies have been verbal and understood by staff but not written down. She reviewed the suggested updates and clarified some items. (Refer to the attached list.) Many of these items refer to the Housing Rehab Program. The policies will continue to be reviewed and next the "eligible activities" will be looked at.

1. Two separate applications for Housing Rehab: This would be a simple change that we want to do right away.
2. Income determination: Because these are redundant. Dave said that we want to reserve the option to ask for more info because some people do not file taxes.
3. Condominiums: These are single unit. We need a copy of Bylaws and notarized letter which approves the project.
5. Multi-Family home: Owner must qualify according to the income guidelines as tenants come and go.
6. Liens: Clarified. The lien will be for the exact amount of the grant which was paid out.
7. Bid Process: This is a new process. David clarified this process and why it should be established. He explained how it would work in more detail. This is actually easier for Dave than the way the process is now. He explained how the pre-bid ad would read and that he will provide specs. We will only use the DAS site (Connecticut Department of Administrative Services) if the homeowner has an issue with the ad.
8. Time between applications: Dawn explained the reason for the change to 2 years. More people can get into the program.
- 9, 10, 11: Some deletions will be made to the application info packet – Dawn reviewed.
12. Dispute Resolution: We would like to add some of this language into the CDBG contract.
13. Subordination in case of foreclosure with no equity: This was never added to the policy manual.

Commissioner Hick made a motion to approve the draft list of CDBG policy clarifications, additions, and deletions suggested by staff, and incorporate them into the CDBG Policy Manual, Residential Housing Rehabilitation Program documents, and all other policy documents where appropriate. Commissioner Zammett seconded the motion, all voted in favor and the motion passed.

V. Discuss allocation of additional CDBG-CV3 funds.

Justin reported that there is a new allocation for Bristol to address COVID issues in Bristol. Dawn said that we have waivers available so that we can move quickly to put out an RFP. This is for organizations that propose programs that prepare for, prevent and respond to the Corona Virus and it must benefit low to mod income people (to at least 70%). We can put out an announcement of a public hearing and we only need a 5-day public comment period. There will be a new application form. There will be a substantial amendment to year 45. We have 3 years to spend the funds. Funding is for \$382,741. Next week there is a Bristol Cares meeting and Dawn will announce this and will also send emails out and put an ad in the paper. She has created a new application which is very condensed.

Mayor Zoppo-Sassu provided information on Round 1 and Round 2 of the Cares Act Funding. We did not take any administrative funds out of the previous funding but thinks we should on this round – whatever is allowed, so that we can substantiate the additional work that is involved.

VI. Commissioner Zammett made a motion to adjourn the meeting at 5:00 P.M., seconded by Commissioner Hick. Meeting adjourned.

CDBG Policy Committee
Suggested Updates for CDBG Policy Manual

The following items are suggested for clarification in the Policy Manual. Some are not in writing but “understood” to be CDBG policy; others are not spelled out clearly, and some have been found to conflict with HUD regulations and therefore need to be updated.

1. Two separate applications for Housing Rehab will be created, one for SINGLE family and one for MULTI-family. We believe this can be more efficient than using one application for all purposes.
2. Income determination will be via IRS Tax Return. The other sources of income listed in the current Policy will be deleted because they are already included in the 1040, and some applicants are confused by the list.
3. Condominium owners may apply, but the only eligible activities will be rehab within the 4 walls of the unit (no roofing, etc.) depending on the Condo Association rules and approval. Applicants must provide a copy of the Association Bylaws and a notarized letter approving the project.
4. All applicants must own the homes (single or multi-family) where the work will be done. No properties owned by Trusts can be granted funds by HUD/CDBG under this program.
5. The owner of a Multi-Family house must qualify according to the income guidelines in order to receive grant funding. At least 51% of the residents – including the owner/occupant – must qualify in accordance with Federal Income Guidelines.
6. When a grant has been awarded, the work completed, and final payment has been made, the City will place a lien on the property. The amount of the lien will reflect the exact amount of the payout to the contractor, not the total awarded, so that the amount due is only what was spent to complete the rehab.
7. Rather than ask the homeowners to collect estimates, which is difficult and time consuming, a bid process will be established to expand the pool of contractors, attract a better quality of options and more competitive pricing for the homeowners. (They still choose the contractor.)
8. Instead of 18 months between applications, we’d like to extend that to 2 years in order to give more people a chance to apply for funding. Once homeowners get into the grant cycle, they tend to apply over and over, and a 2-year wait might allow different people a chance to have their applications processed in between return applicants. Also, by placing the lien for the actual amount rather than the “total grant” amount, it will discourage people from returning to expend the “rest” of “their” grant money. Grants can be “up to” \$15,000 – the grant is not necessarily going to be given for that total amount to each applicant.
9. On p. 4, the section on *Homeowner’s Labor* should be deleted. It is not permitted to use Federal funds to pay unlicensed individuals for their work.
10. Also on p. 4, the *Additional Funding* section was in place when the maximum amounts of the grants were quite small. This section should be deleted now.
11. Finally, on p. 4, there is a section on *Non-owner-occupied properties*. This should be deleted, as it is not allowed by HUD regulations.
12. The CDBG contract should include some “*Dispute Resolution*” verbiage, and we would like to ask Corporation Counsel to assist with that language. The City (CDBG Program and ECD Staff) does not want to be in the middle of a dispute between a grant recipient and a contractor.
13. For subordination in a case of foreclosure with no equity, the ECD will impose a \$250 administrative fee in order to release a lien. (This was an action taken by the BDA in 2014 that was never added to the Policy Manual.)