

APPENDIX B

SUMMARY OF PUBLIC COMMENTS

PUBLIC INPUT MEETINGS

MDOC began the information gathering process for the 2010-2014 Five-Year Plan and 2010 Annual Action Plan in May 2009. Informational flyers were sent to local officials, public agencies, interested citizens, and organizations statewide inviting participation in preparing Montana’s Consolidated Plan. Display advertisements were placed in major newspapers around the state (Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, and Missoula) asking for public comment, giving dates and locations of the upcoming public input meetings. Notices were posted on the *Discovering Montana e-Calendar* at <http://app.mt.gov/cal/html/event?eventCollectionCode=comm>. The information on the public meetings was also posted on the Current Events web page of the Consolidated Plan http://housing.mt.gov/Hous_CP_Apps.asp

One on-site community input meeting was held in Great Falls on May 20 during the lunch break for the Low Income Housing Tax Credit program’s 2009 QAP Meeting. A free lunch was provided to participants. To encourage greater participation and to minimize travel costs for participants, two web-based meetings originating in Helena-based were held.

Public Input Meetings				
Location		Date	Time.	# Attendees
Great Falls	Holiday Inn Great Falls; 400 10th Ave. S.	05/20/2009	12:00 - 1:00 p.m.	31 + 6 staff
Webinar	Helena-based	06/10/2009	10:00 – 11:30 a.m.	10 + 11 staff
Webinar	Helena-based	06/17/2009	1:30 – 3:00 p.m.	20 + 8 staff

HOME, CDBG, MBOH, and MDPHHS representatives were present at the meetings to answer questions and respond to public comments.

PUBLIC REVIEW MEETINGS

The draft 2010 Annual Action Plan and 2010-2014 Five-Year Plan was released for public review and comment on October 26, 2009. The public comment period was open through December 18, 2009, The MDOC Section 8 Program also participated, accepting comments on its draft 5-Year PHA Plan for fiscal years 2010-2014 through December 18. Comments were accepted by e-mail or written letters or through the program’s mini-board process. The comment periods were advertised in the state’s seven major newspapers. Flyers were sent to the Consolidated Plan mailing list, and meeting notices were posted on the *Discovering Montana E-Calendar* and the Consolidated Plan web page.

Four public review meetings were held in October and November. Again, to encourage greater participation and to minimize travel costs for participants, two web-based meetings originating in Helena-based were held.

Public Review Meetings				
Location		Date	Time.	# Attendees
Webinar	Helena-based	10/28/2009	9:00-11:00 a.m.	on webinar: 9 + 2 staff; onsite: 3 + 10 staff
Missoula	C'Mon Inn, 2775 Expo Parkway	10/29/2009	11:30 to 1:30 p.m.	11 + 4 staff
Billings	C'Mon Inn, 2020 Overland Ave. S.	11/03/2009	11:30 to 1:30 p.m.	7 + 4 staff
Webinar	Helena-based	11/04/2009	1:30-3:30 p.m.	on webinar: 24; onsite: 6 + 8 staff

MEETING SUMMARIES

Copies of the meeting summaries from the public meetings are on file with the Montana Department of Commerce, Housing Division; 301 South Park Avenue; P.O. Box 200545; Helena, Montana 59820.

Public Comments

A variety of comments were received at the meetings, as well as some written comments. In general, the questions were program-specific. Some questions were able to be answered on the spot by representatives from the individual programs. Other questions requiring a more in-depth response were referred to the appropriate program staff for follow-up.

HOME Program Proposed Changes

Proposed changes and points of clarification to the HOME Program's application process were proposed.

- The application due date for the 2010 HOME Program competitive grants is **Friday, February 12, 2010.**

- Adopted as proposed

- Clarification:** Clarify that CHDOs can submit and receive funding for only one application per program/funding year in each county that it operates.

Discussion: In program year 2009, the HOME Program changed its application guidelines to allow a CHDO to submit multiple applications **as long as each application is from a different county within its service area and each application is for a CHDO-eligible activity.** At the time it changed the guidelines, the Program did not address the number of applications a CHDO could submit if multiple funding rounds were held in one program/funding year. This clarifies that a CHDO can submit and receive funding for only one application per program/funding year in each county that it operates, regardless

of the number of funding rounds held by the HOME Program in a given program/funding year to help maintain geographic distribution of funds.

Adopted as proposed

- Proposal:** Limit eligible activities under TBRA (Tenant Based Rental Assistance) to providing one-time security deposits to qualified voucher-assisted tenant base section 8 tenants under a two-year pilot project. The HOME program will set aside \$500,000 in 2010 and 2011 for PHAs (public housing authorities) to access on a first-come first-serve, noncompetitive basis. PHAs operating in entitlement cities would not qualify to participate.

Discussion: With the increased demand on the rental market, low-income voucher holders are unable to lease a unit. The result is the vouchers are expiring before the family can lease up and the applicant must reapply to the wait list. In most locations around Montana, the family will not be eligible for a new voucher for up to two and half years.

After considering comment received, adopted with minor modification: PHAs operating in entitlement cities administering vouchers for MDOC could access the TBRA funds for those voucher holders. The HOME Program will issue more specific guidelines for operating the pilot program in spring 2010.

- Proposal:** Limit the amount of HOME funds that can be used for down payment and closing cost assistance homebuyer assistance for a specific homebuyer / address to the lesser of:

- one-half (50%) of the value of the first mortgage for the property; or
- The per unit maximum per household established by the Grantee in its Management Plan.

Discussion: MDOC (Montana Department of Commerce) must ensure HOME funds are utilized as gap financing. HOME funds were never intended to be the primary funding source. HUD evaluates the HOME program on the number of households assisted, including homebuyers, and the average HOME dollars utilized per home. The above limitation assures the HOME funds are being leveraged with other funding sources. Note: The maximum purchase price limit established by HUD applies to all assisted properties.

After considering a substantial number of comments in opposition to this proposal and evaluating suggestions received, MDOC adopted changes in its guidelines for homebuyer assistance projects to ensure HOME funds are utilized as gap financing and are leveraged with other funding sources. Grantees are required to add the following components to their management plans:

- Define the maximum loan-to-value on all project debt. If there is a minimum loan-to-value to ensure that applicants are not over-subsidized, describe.
- Describe the method your organization will use to determine the amount of HOME funds each participant will receive. Provide an explicit description as to how down payment, closing cost, and rehabilitation amounts (as applicable) will be determined. Include the following items in the description
 - Explain how you will ensure the purchase price of the assisted home does not exceed the purchase price limit as set by HUD.
 - Define the maximum amount of home subsidy that will be available to each homebuyer. Explain and justify how the maximum amount was established. Note: In no case may the amount of HOME subsidy exceed the HOME per-unit subsidy limit, based on the number of bedrooms, as determined by HUD
 - Explain how “front end” and “back end” ratios will be used when determining the amount of the mortgage debt a household can reasonably incur. Explain how you will demonstrate to the HOME Program that these ratios have been taken into consideration when determining the amount of HOME assistance provided.
 - “Front End” Ratio: Ensure that the lender finances minimum of 28% of the borrower’s gross household income, up to a maximum of 32% of the borrower’s gross household income; i.e., the total monthly payment, including principal, interest, taxes and insurance (PITI) must be between 28% and 32% of the household’s gross monthly income. Under special, limited conditions and circumstances and only with the approval of the grantee’s loan review committee or other oversight board, the front-end ratio may be reduced to 26% or raised to 36%. If applicable, describe and justify under what special conditions and circumstances the “exception” ratios may be used.
 - “Back End” Ratio: The household’s total debt, after taking into consideration PITI, may not exceed 42% of the household’s gross income. In some cases, this may mean a borrower may not qualify for assistance until the excess debt is paid down or otherwise consolidated.
 - Explain how you will ensure all assisted homebuyers contribute a minimum of 1% of the first mortgage amount. Describe how you will ensure applicants make the maximum contribution possible, while using the HOME funds to fill the gap.