MONTANA Department of Commerce

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APPENDIX B

SUMMARY OF PUBLIC COMMENTS

PUBLIC HEARINGS

The Montana Department of Commerce (MDOC) began the information gathering process for the 2012 Annual Action Plan in June & July 2011. 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, Butte, Helena, Missoula and Hamilton) asking for public comment, giving dates and locations of the upcoming public input meetings. Notices were posted on the *Discovering Montana e*-Calendar. The information on the public meetings was also posted on the Consolidated Plan web page.

Two on-site community hearings were held on June 20th and July 8th, 2011. To encourage greater participation and to minimize travel costs for participants, both meetings were also web-based originating in Helena.

Public (Input) Hearings				
Location		**Date**	**Time.**	**# Attendees**
Helena	301 S. Park Ave. – Room 228 (Webinar)	6/20/2011	10:30 – 12:00 pm	4 + 7 staff
Helena	301 S. Park Ave. – Room 228 (Webinar)	7/8/2011	3:00 – 4:30 pm	5 + 8 staff

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

The draft 2012 Annual Action Plan was released for public review and comment on November 15, 2011. The public comment period was open through December 31, 2011. The comment periods were advertised in five of the state's major newspapers as well as the newspaper flyer boards on the web. 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.

A public review meeting was held on October 27th, 2011. Again, to encourage greater participation and to minimize travel costs for participants, this meeting, originating in Helena, was open to the public as well as being conducted in webinar format.

Public (Review) Hearings				
Location		**Date**	**Time.**	**# Attendees**
Helena	301 S. Park Ave. – Room 228 (Webinar)	10/27/2011	9:00 – 11:00 am	24 + 9 staff

MEETING SUMMARIES

Copies of the meeting summaries from the public meetings are on file with the Montana Department of Commerce, Community Development Division; 301 South Park Avenue; P.O. Box 200523; Helena, Montana 59620.

Summary of 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

The HOME Program sought comments on the proposed changes listed below for the 2012 Program Year. Written comments were accepted through October 31, 2011.

COMPETITIVE GRANTS: ACCESSIBILITY AND VISITABILITY

☐ **PROPOSAL:** The HOME Program is seeking comments on a proposal to require, rather than encourage, enhanced accessibility features for **HOME-assisted units**. **All HOME-assisted new construction, including single family (homeowner) developments, and major rehabilitation** ("gut" rehabilitation that includes replacing interior walls and doors) will incorporate the following:

- 36-inch doors (32 inches of clear passage space) for all living areas (except pantry, storage, and closets)
- Levered handles for exterior and interior doors (except exterior swing doors)
- Outlets mounted not less than 15 inches above floor covering
- Light switches, control boxes and/or thermostats mounted no more than 48 inches above floor covering
- Walls adjacent to toilets, bathtubs and shower stalls require reinforcement for later installation of grab bars
- Lever style faucets for laundry hook-up, lavatory and kitchen sink
- A minimum of a **ground level half-bath** with a 30 x 48 inch turn space (also required in rehab unless waived by HOME staff for structural limitations or excessive cost, etc.)
- At least one no-step entry to all **ground floor units**

Exceptions to "Visitability" requirements must be requested by the Applicant/Grantee and may be granted by the HOME Program if adequately justified by the Applicant and only if the Applicant meets the applicable accessibility requirements at 24 CFR Part 8 and the design and construction requirements at 24 CFR 100.205.

❖ **Comments Summary:** A number of comments were received supporting this proposal; however, some concerns were expressed:

- Significant additional costs would be added to construction of **single-family-homeownership units**, especially the cost of a "no-step entry"
- In favor of the "no-step" entry requirement for HOME (and CDBG) subsidized homes, so long as the requirement is for only **one** no-step door (others can be "stepped"), the door between an attached garage and the home can be the site of the no-step entry, and the no-step entry can be achieved with landscaping or a ramp.
- To require accessibility requirements beyond what is already required by existing laws and codes for **multi-family rental projects** would place an undue burden on Grantees

by tremendously increasing the cost per unit and thus potentially creating the unintended consequence of decreasing the number of units that could be built.

- Questions were raised about the affected units – Applicable to every HOME-assisted unit? Only to ground floor HOME-assisted units (in a multi-story building)? What if the building has an elevator? Is an elevator required for multi-story units?

☑ **Adopted, as revised**.

- **NEW CONSTRUCTION, <u>HOMEOWNERSHIP</u> UNITS WITH ONE-TO-FOUR UNITS:**

  Applies to one-, two-, three- or four-unit buildings (i.e., single-family unit and/or duplex, tri-plex, four-plex attached units and/or townhomes). For the HOME-assisted units,

  - All HOME-assisted units must meet the visitability requirements as listed unless otherwise specified below.
  - For a multi-story **building** with **no elevator**, all HOME-assisted units must meet the visitability requirements as listed, except for the "no-step" entrance requirement.
  - The "no-step" entry requirement is for **one** no-step door per unit; other entries into the unit can be "stepped". The no-step entry can be between an attached garage and the home and the no-step entry can be achieved with landscaping or a ramp.
  - For a multi-story **unit**, the visitability requirements apply to only the ground floor of the HOME-assisted **unit**.
  - Waiver can be requested from the HOME Program for "good cause".
  - For projects that are not 100% HOME-assisted (i.e., not all the units in the project are HOME-assisted), the visitability requirements apply only to the HOME-assisted units

- **NEW CONSTRUCTION, <u>HOMEOWNERSHIP</u> UNITS WITH FIVE OR MORE UNITS (for example condominium buildings):**

  For the HOME-assisted units:

  - All HOME-assisted units must meet the visitability requirements as listed unless otherwise specified below.
  - For a multi-story **unit**, the visitability requirements apply to only the ground floor of the **unit**.
  - In a multi-story **building** with elevators, **all** HOME-assisted units must meet the visitability requirements as listed.
  - In a multi-story **building** with no elevators, **all** HOME-assisted units must meet the visitability requirements as listed, except for the no-step entrance requirement.
  - For projects that are not 100% HOME-assisted (i.e., not all the units in the building are HOME-assisted), the visitability requirements apply only to the HOME-assisted units.

- **NEW CONSTRUCTION AND MAJOR REHABILITATION, MULTI-FAMILY <u>RENTAL</u> PROJECTS WITH ONE-TO-FOUR UNITS**

  For the HOME-assisted units:

  - All HOME-assisted units must meet the visitability requirements as listed unless otherwise specified below
  - For a multi-story **unit**, the visitability requirements apply to only the ground floor of the **unit**.
  - In a multi-story **building** with elevators, **all** HOME-assisted units must meet the visitability requirements as listed.
  - In a multi-story **building** with **no elevators**, **all** HOME-assisted units must meet the visitability requirements as listed, except for the no-step entrance requirement.
  - For projects that are not 100% HOME-assisted (i.e., not all the units in the building are HOME-assisted), and are not 100% visitable, the visitability requirements apply only to the HOME-assisted units, which must be "fixed", not "floating"
  - Waiver can be requested from the HOME Program for "good cause".

- **NEW CONSTRUCTION AND MAJOR REHABILITATION, MULTI-FAMILY RENTAL PROJECTS WITH FIVE OR MORE UNITS**
  - All HOME-assisted units must meet the visitability requirements as listed
  - For a multi-story **unit**, the visitability requirements apply to only the ground floor of the **unit**.
  - In a multi-story **building** with elevators, **all** HOME-assisted units must meet the visitability requirements as listed
  - In a multi-story **building** with **no elevators**, **all** HOME-assisted units must meet the visitability requirements as listed, except for the no-step entrance requirement.
  - For projects that are not 100% HOME-assisted (i.e., not all the units in the building are HOME-assisted), and are not 100% visitable, the visitability requirements apply only to the HOME-assisted units, which must be "fixed", not "floating"
- **NOTE: All housing must meet the accessibility requirements of the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973**
  - For new construction of **multi-family projects**, with five or more units, Section 504 requires that 5% of the total units in the project (but not less than one unit) be accessible to individuals with mobility impairments, **and an additional 2%** of the units (but not less than one unit) be accessible to individuals with sensory impairments
  - The Section 504 definition of substantial rehabilitation **multi-family projects** includes construction in a project with 15 or more units for which the rehabilitation costs will be 75% or more of the replacement cost. In such developments, 5% of the units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2% (but not less than one unit) must be accessible to individuals with sensory impairments
  - When rehabilitation is undertaken that is less extensive, alterations must, to the maximum extent feasible, make the units accessible to and usable by individuals with handicaps, until 5% of the units are accessible to people with mobility impairments. Alterations to common spaces must, to the maximum extent feasible, make the project accessible
  - Accessible units must be, to the maximum extent feasible, distributed throughout projects and sites and must be available in a sufficient range of sizes and amenities so as to not limit choice
  - Owners and managers of projects with accessible units must adopt suitable means to assure that information regarding the availability of accessible units reaches eligible individuals with handicaps. They also must take reasonable non-discriminatory steps to maximize use of such units by eligible individuals
  - When an accessible unit becomes vacant, before offering the unit to a non-handicapped individual, the owner/manager should offer the unit: first, to a current occupant of the project requiring the accessibility feature; and second, to an eligible qualified applicant on the waiting list requiring the accessibility features
  - The usual standards for ensuring compliance with Section 504 are the Uniform Federal Accessibility Standards (UFAS)

COMPETITIVE GRANTS: TENANT BASED RENTAL ASSISTANCE

☐ **PROPOSAL:** Eliminate the noncompetitive set-aside for TBRA Security Deposit Assistance Program and return the $500,000 set-aside in 2010 and 2011 to the 2012 competitive pool of funds. Tenant Based Rental Assistance will no longer be an eligible activity under the Montana Department of Commerce HOME Program.

* **Discussion:** Administering a TBRA Program is very labor intensive and time consuming and the HOME Program does not have adequate resources to adequately administer this type of program. Additionally, HUD regulations prohibit the HOME Program from providing soft costs to Grantees to run a TBRA program. The non-reimbursable costs of running a TBRA program at the local level are **not** eligible as matching contributions. TBRA vouchers cannot be used for overnight, emergency, or temporary shelter; a TBRA subsidy would need to be sufficient to enable a person to rent a transitional or permanent housing unit that meets housing quality standards (HQS). TBRA must have been identified as an essential part of a community's housing strategy and the market conditions in the community must support TBRA as a viable option. This means that an assessment of market factors has been undertaken and an ample supply of rental housing meeting HQS is available in the community

❖ **Comments Summary:** Some concerns were expressed concerning this proposal:

- Do not eliminate TBRA. TBRA should remain an option if a community's housing strategy indicates they have an **inadequate** supply of affordable housing that meets HQS. (emphasis added)

▸ **MDOC Response:** At the local level, administering a TBRA program to ensure compliance with all of HUD's rules and regulations is very complex, labor intensive, and time consuming. The cost for a grantee to administer a $500,000 TBRA program can run $50,000 or more.

If a community's housing strategy indicates the community does not have an adequate supply of affordable housing meeting HQS, the HOME Program cannot fund TBRA assistance in that community. An adequate stock of affordable housing that meets HQS is necessary for a TBRA program to be successful

☑ **Adopted.** However, the HOME Program will incorporate re-evaluating the TBRA issue into its Strategic Plan.

COMPETITIVE GRANTS: SITE IMPROVEMENTS

☐ **POINT OF CLARIFICATION:** Since there has been some confusion regarding the eligibility of site improvement costs, the HOME Program is providing additional information regarding site improvements. According to HUD guidance, site improvements must be in keeping with improvements to surrounding standard projects. They include new, on-site improvements (utility connections, sewer and water lines, etc.) where none are present. They are **essential** to development or repair of existing improvements. Building new, off-site utility connections to an adjacent street is also eligible. Off-site infrastructure is not eligible as a HOME expense.

<u>Example</u>*: Infrastructure, such as sewer and water lines in a public street in front of a HOME-assisted property, cannot be paid for with HOME funds. However, the connections that run from the HOME-assisted property to the street are eligible HOME costs since they are **essential** to the property.*

The HOME Program recommends that the HOME funds be prioritized for use in the actual units rather than for site improvements. For rehabilitation projects, eligible site improvements include only those improvements necessary to meet accessibility requirements such as handicapped parking spaces, curb cuts, etc.

In no case will the HOME Program pay for more than the proportionate share of the cost for eligible site improvements, e.g., if 20% of the units in a multi-family rental project are HOME assisted, HOME funds can only be used to pay for up to 20% of the eligible site improvement costs.

❖ **Comments Summary:** Some concerns were expressed concerning this proposal:
- Zoning codes and rules may require specific improvements e.g., sidewalks, landscaping, parking, etc.).
- What about a smoking shelter in a nonsmoking building?
- Seems like things that are "part and parcel" of the project would be included but something like a smoking building would not be included.

▸ **MDOC Response:** To reiterate the HUD guidance on site improvements, site improvements must be in keeping with improvements to surrounding standard projects. They include new, on-site improvements (utility connections, sewer and water lines, etc.) where none are present. They are **essential** to development or repair of existing improvements. Building new, off-site utility connections to an adjacent street is also eligible. Off-site infrastructure is not eligible as a HOME expense.

☑ **Point of Clarification incorporated as written**.

COMPETITIVE GRANTS: APPLICATION DEADLINE

☐ **PROPOSAL:** The proposed application due date for the 2012 HOME Program competitive grants: **Friday, February 10, 2012.**

❖ **Comments Summary:** Comments received concerning this proposal included the suggestion to move the date so the due dates for multiple funding sources do not put an undue burden on applicants.

▸ **MDOC Response:** The HOME Program originally adopted the February 10 due date but later extended the competitive application deadline to **April 13, 2012** after it became aware of several provisions in the Federal Fiscal Year (FFY) 2012 Appropriation language that have the potential to significantly impact the Montana HOME Program's operations. HUD guidance on the Appropriation language for the HOME Program is expected in March. In order to allow the HOME Program to adequately assess and implement any changes to its policies, procedures, and application guidelines and to allow potential applicants time to incorporate any necessary changes to its application, the HOME Program is extending the competitive application deadline to April 13, 2012. (Click here for a printable copy of the notification regarding the extension.

HOMEOWNER (OWNER-OCCUPIED) REHABILITATION: GAP FINANCING

☐ **PROPOSAL:** HOME funds should be utilized as **gap financing**. When designing their rehabilitation programs, Grantees should consider performing an analysis of an Applicant's income, assets, and liabilities, similar to the analysis performed for potential homebuyers, as part of the screening process. This will enable Grantees to determine if the homeowner can reasonably contribute any funds to the proposed rehabilitation.

- ❖ **Comment Summary:** A comment was received requesting criteria for making the determination as to a household's repayment ability and requesting that a lender's determination be sufficient.

- ∗ **Discussion:** In some instances, a low interest loan may be affordable or more appropriate. In the case of an owner-occupant with sufficient income to repay a loan on a monthly basis, the Grantee could structure the HOME assistance to be used in combination with other financing, which would require to Grantee to develop relationships with lenders in the community. For example, the Grantee and a private lender could jointly loan the funds needed for rehabilitation. This arrangement, referred to as a participation loan, results in one loan from the lender and one from the Grantee, usually at a low interest rate. The size of the HOME loan is typically dependent upon the amount available for the conventional loan from the lender partner. In another example, the Grantee could structure the HOME loan with small periodic (monthly, quarterly, etc) payments affordable to owner, along with a deferred loan for the balance of the HOME funds.

- ▸ **MDOC Response:** Because a lender's mission may be different from that of an entity providing rehab assistance to low-income households, the HOME Program is not comfortable with a lender making the determination about the household's ability to repay a rehab loan. The HOME Program recommends that Grantee should examine the household's ability to pay a portion of the rehab costs and/or repay any of the HOME funds using the criteria developed by the HOME Program for homebuyer activities ("front-end" and "back-end" ratios).

  The HOME Program will add this issue to its Strategic Plan for further investigation and guidance.

- ☐ **Deferred**, with further guidance forthcoming.

HOMEOWNER (OWNER-OCCUPIED) REHABILITATION: UNFINISHED CONSTRUCTION

☐ **POINT OF CLARIFICATION:** Unfinished new construction is not eligible for HOME assistance under the Single Family Noncompetitive Program – Homeowner Rehabilitation. Finishing a home in which construction was not completed is not considered to be "rehabilitation" by the HOME Program.

- ❖ **Comment Summary:** A comment was received requesting the definition of unfinished construction.

- ▸ **MDOC Response:** Homeowner rehab activities involving unfinished construction are not common; however, the HOME Program plans to incorporate developing an "across the board" definition into its Strategic Plan. In the meantime, the HOME Program will continue to evaluate homeowner rehab activities with unfinished construction on a case by case basis.

- ☑ **Incorporated**, with further guidance forthcoming.

MATCH: SWEAT EQUITY AND/OR VOLUNTEER LABOR

☐ **POINT OF CLARIFICATION:** When sweat equity and/or volunteer labor is used for matching contributions, the sweat equity and volunteer labor will be valued at the rate determined by HUD, currently $10.00 per hour, unless the person providing the sweat equity or volunteer labor is licensed to perform the work he/she is contributing. If the person is licensed to perform the work, his/her contribution can be valued at the person's normal hourly rate, which must be verified. A copy of the verification along with a copy of the person's license or other certification must be submitted with the match documentation. Exhibit 4-Q, Chapter 4, HOME Administration Manual, must be used to document volunteer labor and sweat equity. The forms should be completed periodically, but no less than monthly (shorter intervals are recommended) and submitted to the HOME program as part of the match documentation.

❖ **Comments Summary:** Some concerns were expressed concerning this Point of Clarification:

- Unskilled labor should be valued at the Davis Bacon prevailing wage rate for an unskilled laborer
    - Some professions are not licensed in Montana (e.g., carpenters) and other documentation (e.g., pay stubs, tax returns) should be considered for demonstrating professionalism

▸ **MDOC Response:** The rate that may be used to value unskilled labor and sweat equity is determined by HUD. Currently that rate is set at $10.00 per hour. The MDOC is not at liberty to change the rate. According to 24 CFR §92.220(a), Matching contributions must be made from nonfederal resources and may include the following:

24 CFR §92.220(a)(8): *The value of donated or voluntary labor or professional services (see §92.354(b)* below*) in connection with the provision of affordable housing.* ***A single rate established by HUD shall be applicable for determining the value of unskilled labor****. The value of skilled labor or professional services shall be determined by the rate that the individual or entity performing the labor or service normally charges.* (**emphasi**s added)

24 CFR §92.354(b): *Volunteers. The prevailing wage provisions of paragraph (a) of this section* [re: 24 CFR §92.354(a)] *do not apply to an individual who receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and who is not otherwise employed at any time in the construction work. See 24 CFR Part 70.*

24 CFR §92.220(a)(9): *The value of sweat equity (see §92.354(c)* below*) provided to a homeownership project, under an established component of a participating jurisdiction's program, up until the time of project completion (i.e., submission of a project completion form).* ***Such labor shall be valued at the rate established for unskilled labor*** *at paragraph (a)(8)* (above) *of this section.*

24 CFR §92.354(c): *Sweat equity. The prevailing wage provisions of paragraph (a) of this section* [re: 24 CFR §92.354(a)] *do not apply to members of an eligible family who provide labor in exchange for acquisition of a property for homeownership or provide labor in lieu of, or as a supplement to, rent payments.*

☑ **Adopted as modified**.

When sweat equity and/or volunteer labor is used for matching contributions, the **sweat equity** (from assisted homeowners) **and unskilled volunteer labor will be valued at the rate determined by HUD, currently $10.00 per hour**.

If the person providing volunteer labor is licensed/registered to perform the work or can otherwise document he/she is providing labor/services that he/she normally does as part of his/her normal profession, his/her contribution can be valued at the person's normal hourly rate, which must be verified. A copy of the verification along with a copy of the person's license, registration, or other certification, if applicable, must be submitted with the match documentation.

Exhibit 4-Q, Chapter 4, HOME Administration Manual, must be used to document volunteer labor and sweat equity. The forms should be completed periodically, but no less than monthly (shorter intervals are recommended) and submitted to the HOME program as part of the match documentation.

ABILITY FOR SOME ENTITIES TO CLOSE HOMEBUYER LOANS MADE FROM HOME FUNDS IN THE NAME OF MONTANA DEPARTMENT OF COMMERCE (MDOC)

☐ **PROPOSAL:** For Plan Years 2011, 2012, and forward, the HOME Program will allow an **approved HOME Qualified Entity/Grantee**, which is not an instrumentality of government, providing homebuyer assistance to close the assistance loan funded with HOME funds in the name of the Montana Department of Commerce (MDOC). This option will be used only when the homebuyer is using FHA Insurance to insure the first mortgage. FHA requires borrowers to contribute 3.5% of the value of the first mortgage from their own funds. If the contribution is funded by anything other than the borrower's own funds (e.g., a second mortgage funded with HOME funds), the loan needs to be in the name of an instrumentality of government. The HOME Qualified Entity/Grantee is required to meet all existing duties and requirements, as outlined in the Qualification Package for the Single Family Noncompetitive Program. The only difference is the mortgage will be closed in the name of the Montana Department of Commerce and funds will be reimbursed to the Qualified Entity when complete documentation is submitted to MDOC.

❖ **Comments Summary:** Comments received were generally in support of this proposal.

☑ **Adopted**, as proposed

OTHER COMMENTS RECEIVED

❖ Allow use of HOME Funds to develop Community Land Trusts (CLT), which would protect long-term affordability by limiting the resale price of homes so they remain affordable to income-eligible households.

- **MDOC Response:** Grantees that do homebuyer activities can accomplish results similar to that of a CLT by using the resale restriction option, rather than the recapture option, to ensure affordability. Grantees can also offer down payment and closing cost assistance through the Single Family Noncompetitive Program to assist homebuyers to purchase homes that are already part of an established CLT.

  Using HOME funds in conjunction with CLTs is a complex issue that needs further investigation and research by the HOME Program and guidance from HUD. The HOME Program will build this investigation and research into its Strategic Plan. In the meantime, Grantees can use either the resale restriction option or the recapture option in conjunction with CLTs, as described above, under current HOME Program rules.

❖ Use of HOME Funds for purchase and renovation of manufactured housing communities, where the residents own their homes but lease or rent the space upon which their homes rest. The homeowners would form a cooperative to purchase, own, and operate the community. The HUD activity needs to be a homeownership activity, rather than a rental activity, in order for the cooperative model to work correctly. The commenter referenced an excerpt from Notice CPD 03-05 (*Guidance on Manufactured Housing under the HOME Program*) in support of this concept.

- **MDOC Response:** After reading and analyzing Notice CPD 03-05 as a whole, the HOME Program determined that additional guidance and clarification from HUD was warranted on a prior HOME project. The HOME Program contacted HUD-Denver and was advised that this type of activity was considered a rental activity, not a homeownership activity.

❖ A commenter wanted to know much assistance has gone out through the Single Family Non-Competitive Program.

- **MDOC Response:**

Year	**Households**	**Amount** (*including recaptured funds & program income*)
2011 (to date)	14	
2010	18	
2009	41	
2008	46	
2007	87	
2006	94	
Total	**300**	**$7.9 million**

☐ **Comment:** "...The comments that have been made about just general flexibility in applying regulations um, in a common text book way, I would encourage that we include specific questions about what's including in a housing project but also on the planning application deadline. It would make for an interesting reality TV show watching a grant … (inaudible conversation)…"

"Oh one more comment, it's a question. Communication on changes in housing programs. Ah, we're living in a very dark period of ah of (inaudible) budgets, and there are changes that are happening every day, but it's hard to keep track of it ah and so, and this may include, because if we become aware of it we may be able to take action to be supportive so that you know you hear talk of these cuts so that, I won't go off on a political statement but that we need to know about them and then in the day to day operations and Section 8, housing choice vouchers and part of this hearing, what's going on in those programs and those kinds of things, if we articulate and communicate that out to our email list so that people in the communities know what's going on because sometimes you just run up against some of the changes, it's at a fast paced change, but I would just generally communicate those changes as much as you can because you will get community support, they need to know about it but it can also impact folks around the state. Thanks."

- **MDOC Response:** The Housing Division appreciates the input from grantees, the public, and other interested parties. We will continue to send out email alerts and to publish newsletters, which provide updated information from HUD as we become aware of it, including any proposed changes, guidance, and any other relevant other information provided on the programs. (See HOME Program newsletters on the HOME Happenings webpage, or got to *http://Housing.mt.gov*, then click on the *HOME Program* quick link, then click on the *HOME Happenings* link.)

☐ **Written Comment:** "I am writing to urge that the Consolidated Plan:

… Identify other housing assistance, e.g. Section 8, that can be used to leverage and support a grant from the Veterans Administration(Supportive Services for Veterans Families) if awarded to the State HRDC Directors Association…

- **MDOC Response:** The VASH Program is assisting homeless veterans, which is impacting the homeless population in Montana. The program has specific limitations and the Veteran's Administration is the screening agency and the Public Housing Agency provides rental assistance according to the Section 8 rules and regulations. The ability to leverage this program is limited, but we reiterate that program it is having an impact on the homeless population.

☐ **Written Comment:** "I am writing to urge that the Consolidated Plan:

… The following is submitted on behalf of myself [and not on behalf of the HRDCs or the Continuum of Care] ...

… <u>Homeless Disabled Persons</u>:

The need for housing opportunities for homeless persons, particularly those with disabilities, is acute. Virtually all housing for this targeted subpopulation has been provided through the HUD Shelter Plus Care program. No state dollars have even been dedicated to housing the homeless and very little, if any, local government support is available. New opportunities or funding sources must be developed if we are to decrease homelessness for disabled individuals and families.

In the most recent 2011 Homeless Point-in-Time Survey (counting homeless persons only on a single night, January 26, 2011), 235 respondents indentified having a mental illness that was "a disabling condition that prevented them from living on their own and that was expected to last a long time." Another 159 identified substance abuse as a disabling condition. Unduplicated, 344 respondents indicated Mental Illness, Substance Abuse or both were disabling conditions.

The majority were individual adults (86%) but 14% were the head of a household with children.

Sixty-four percent (64%) of these persons were sleeping either outside or in an emergency shelter. Only 36% were in transitional housing.

	2006	2007	2008	2009	2010	2011
Total Homeless	948	731	992	879	1072	1136
Mental Illness	167	109	140	204	238	235
Substance Abuse	156	83	105	264	298	159

While there is no standard formula for annualizing a point-in-time count, some studies suggest that an annual count could be between 2 and 4 times the PIT count.

Over the past thirteen years, the Montana Continuum of Care Coalition has built up an inventory of 339 Permanent Supportive Housing beds for homeless with disabilities, which are all full. Unfortunately, the PSH resources are only ¼ to ½ of the beds needed to implement a "Housing First" approach to homelessness in Montana for seriously disabled individuals.

One possible resource identified by the "PATH to Housing Study Group" is to prioritize any unspent HOME funds to be used for Tenant Based Rental Assistance vouchers. The MT DoC Housing Division's statewide Shelter Plus Care grant program would be very similar in nature to a TBRA voucher program and might have the capacity to easily administer a HOME TBRA voucher program.

Housing Assistance Leverage for Supportive Services to Veteran Families

The ARRA-HUD Homeless Prevention and Rapid Re-housing program in Montana will be spent-out by August, 2011, one year ahead of the program end date. In an effort to continue what HPRP established, the Montana HRDC Directors Association applied for a $1m Veterans Administration grant to provide Supportive Services to Veteran Families. The priority of SSVF, however, is to provide supportive services to homeless or imminently homeless Veteran families whereas the experience from the 2-year HPRP program clearly established housing and rental assistance as the priority need in Montana.

HRDCs are going to be hard-pressed to find rental assistance for these families, a pre-requisite to being able to provide effective supportive services.

Using the Point-in-Time Survey data, there are approximately 250 homeless Veteran households counted on a single night in January. The Association's SSVF grant proposes to serve 276 very low-income Veteran families over the course of a year with approximately 70 of these households receiving homeless prevention assistance and 200 receiving re-housing assistance.

A survey of turnover rates for Shelter Plus Care, Section 8 and VASH estimated that approximately 550 vouchers turnover each year with the majority of those being Section 8. We further estimated that Veterans access about 7% or 40 of these vouchers a year—a far cry from the estimated need.

I appreciate that Section 8 set asides or prioritizing use of Section 8 specific subpopulations might not be practical, I would like to urge that the Consolidate Plan to somehow recognize the value in leveraging Section 8 with other federally funded homeless programs such as the SSVF program. Neither housing or supportive services can be successful by themselves and despite the funding streams being separate, we must find ways for them to work more in tandem. If only 5%, for example, of the vouchers that turn over each year could be used in conjunction with the SSVF program, we could get roughly 15% of all SSVF households into the most successful and sustainable housing environment. Thank you for your consideration."

"... but also to a very real expectation if we can maintain a space in our HOME Program for TBRA, Tenant Based Rental Assistance, then we can ah with the leadership of Darren Larson and Bruce participating in it and conversations with the folks at Montana Department of Public Health and Human Services a way that we might be able to combine TBRA with some other funding to create a housing bridge program that would allow people who are otherwise in institutional settings that that barrier if you're waiting to access affordable and appropriate housing, you can't get out and so we may be able to bridge it and also recognizing that the very real barrier and challenge in administering these programs to be able to administer these programs there needs to be a payment source to pay for that and we have some unique strengths um in the State of Montana where we're organized with statewide public housing authorities Section 8 Program that ah, we'd just like to leave the possibility that we may be able to come up with something here in the future that, that would be able to use TBRA that meets everybody's needs, recognizes and eliminates some of the barriers that are going on there but ah again, I'll just close my comments, I see a lot of great ah … solution focused responses here today and I just continue with that approach."

CDBG Program

Summarized comment: One comment was received requesting the Community Development Block Grant (CDBG) program allow the use of CDBG funds for shared-equity homeownership.

Response: The CDBG program will review this request to determine the applicability and advantages of the proposed change in the comment received. However, the CDBG program will not implement such a change to eligible uses as it pertains to the housing category until further information is known about the shared-equity homeownership concept and how it would impact the CDBG program.

Summarized comment: One comment was received requesting the CDBG program allow the use of funds for county road and bridge infrastructure.

Response: The CDBG program has established eligible housing and community development activities according to the guidance provided in the Housing and Community Development Act of 1974. Local governments determine their housing and community development needs, establish the area that will be served by the proposed activity, and propose eligible activities through application to the Department. In order to be eligible for CDBG funds, the proposed area to be served through an eligible CDBG activity must meet the low and moderate income (LMI) national objective for the total service area. If a local government wishes to apply for CDBG funds for county roads and bridges, it must demonstrate that the total proposed service area will meet the LMI requirements and all other ranking criteria.

Summarized comment: Two comments were received pertaining to the proposed application date change for CDBG Public Facilities and Housing Grants.

Response: The CDBG program proposes to receive all Public Facility and Housing applications in March of the same federal fiscal year as the funding to promote a more expeditious award of CDBG funds from the State. This application date change will also promote greater project readiness and speed up the distribution of award funds to the grantees and communities. This application deadline date will also allow more time for communities, who have limited resources, to plan for projects.
The CDBG program proposes receiving both Public Facilities and Housing applications on the same date to provide greater flexibility in ranking to award funds between the categories to projects that most closely demonstrate need through the CDBG ranking criteria.

Summarized comment: One comment was received supporting the CDBG, HOME, and LIHTC proposal to adopt accessibility features as requirements for all newly constructed and remodeled homes.

Response: The CDBG program appreciates the comment and acknowledges the commenter's support for the proposed accessibility requirements.

CDBG-ED Program

Comment: "Hi Deb, this is Reggie Schapp over at MBAC. I have a question for you actually. You were stating that employee's salaries can be used as match, can loan funds that they had gotten in the past eighteen months be used for match?"

Response: Any expenses paid, loans received and used for project activities, investments related to the proposed project may be considered match.

Comment: "So are these changes going to effective as of when? I guess the reason I am asking is because the grant we are putting in now that we are using USDA funds as the matching does that count for matching funds. This is Ryan Tooke again. I do not know how to calculate this but do we get any credit at all, like um because with our direct impact on our direct economic impact we have on the community but then we also have an indirect of about four or five hundred thousand of our dollars going out shopping in our communities and everything. And a lot of those places have low and moderate income do we get any benefit from that too or not is it based directly on our low to moderate income. "

Response: Changes to the CDBG-ED guidelines are effective as soon as HUD approves them. The ED program is a direct benefit program and focuses on benefits to jobs create or retained. Indirect benefit is still important and we like to include that in our project summaries, but for HUD reporting purposes and meeting HUD objectives we have to collect and report direct benefit information.

ESG Program

Comment: "Jim, how much can one organization apply for? And do they apply through you or through MDOC? OK. This is Mat from Rocky Mountain Development Council. So we would apply for it and then for the families?"

Response: ESG will be allocated to the State's Human Resource Development Councils (HRDC's) via the formula we use to distribute funds through the Community Services Block Grant (CSBG). CSBG is the primary federal effort to help low income persons escape poverty and ESG would be trying to reach the same households. This is the same formula we used to disburse Housing Prevention/Rapid Rehousing funds, the forerunner to ESG."