

Appendix A: Draft 2015 Consolidated Annual Performance & Evaluation Report Public Comments and Agency Responses

The draft of the 2015 Consolidated Annual Performance & Evaluation Report (“Draft CAPER”) was made available on March 23, 2016 for a 15-day public comment period ending June 8, 2016. The State of Montana held a public hearing on the Draft CAPER on March 24, 2016, and recorded a [transcript](#) of all comments received at the hearing. All comments received in writing and at the hearing were considered, and the State of Montana’s responses to each comment are provided below.

Comments Received and Responses Thereto

**North Missoula Community Development Corporation
Bob Oaks, Executive Director**

Comment #1:

We do a community land trust focusing on home ownership. And I guess I’d appreciate seeing more conversation about home ownership. And the CAPER it seems like there might be a concentration on affordable rentals only. And I understand why that may have evolved out of the great recession, but home ownership was never the problem in the great recession. It was irresponsible lending that led to that problem. So home ownership is still really important, and I’d like to see more mention of it; thanks.

Response to Comment #1:

As set forth in the 2015-2020 Consolidated Plan, the State of Montana seeks to promote equitable, affordable housing in Montana, including the construction of new affordable housing for homeownership. The CDBG and HOME programs are all programs that can provide funding for the development or rehabilitation of affordable homeowner units. The State of Montana seeks to partner with and assist local governments and housing organizations increase their capacity to promote homeownership to Montanans of low-to-moderate income, and encourages the North Missoula Community Development Corporation to contact the Department of Commerce to discuss ways to leverage existing funding sources to develop new or rehabilitate affordable units for homeownership.

**District XI Human Resource Council
Jim Morton, Executive Director**

Comment #2:

Yesterday we were heard a lot about the housing trust fund, housing credits, CDBG, and HOME. And I guess this is a question for you, Jennifer. Does the CAPER embody all of those in different approaches to housing as a uniform approach? Or could it, I guess is the other question. And my comment would be it should. So thank you.

Response to Comment #2:

The CAPER serves as the report to HUD regarding the outcome of the goals and objectives with the resources made available through the CDBG, HOME, and ESG programs during the 2015-2016 Annual Action Plan (2015 Action Plan) and the 2015-2020 Montana Consolidated Plan for Housing and Community Development (Consolidated Plan). As identified in those documents, the State of Montana identified a commitment to award approximately \$6 million in CDBG, HOME, and NHTF funds during the 2015-2016 Plan Year One to construct and rehabilitate rental and homeowner housing units, as well as provide direct financial assistance to homebuyers. In 2014, the HOME Program was transferred to the Community Development Division to strengthen and streamline the ability of the State’s housing partners to access and

leverage all competitive housing program funds to meet the need to preserve and construct affordable housing in Montana.

Montana Continuum of Care
Bob Buzzas, Coordinator

Comment #3:

This doesn't relate very directly to the CAPER but, in general, I'm hoping that it might be incorporated into all the work that community development does. And it follows on Doug Mitchell's comments yesterday about breaking down silos and thinking outside of the box. And I'm thinking the homeless programs right now, particularly the continued care permanent supportive housing program and the meaning of "permanent" is changing very dramatically. And those people are now going to be expected to get out of permanent supportive housing as quickly as possible. And I think the only place they can really go, the only resource is Section 8.

But in any event, there are a lot of opportunities all of a sudden coming down the pike. The housing trust fund, we're hoping that the Department of Health fund is going to be putting in a one-and-a-half million dollar grant application in the next year for CABHI, that's Collaborative Approaches to Benefit Homeless Individuals. Plus there are options for a couple of \$800,000 grants to local governments on that. And the re-entry activities that Stacey Collette talked about yesterday. And there are a lot more.

So what I'm trying to get to is if community development could maybe take a lead or at least participate in the creation of an interagency council on homelessness with the Department of Health, Corrections, and others, I think that we can find some interesting opportunities to leverage and meld HOME, CDBG, the Trust Fund, and a lot of other resources in ways that will create new housing opportunities for low income and homeless.

Response to Comment #3:

The Department of Commerce would welcome the opportunity to participate in the creation of an interagency council on homelessness, and is excited about the new opportunities to serve Montana's homeless population with the new National Housing Trust Fund allocation expected to begin in the 2016-2017 Plan Year. The Housing Trust Fund (HTF) is a new affordable housing production program that will complement existing federal, state, and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low- and very low-income households, including homeless families. The development and implementation of this new program will provide an important new source of funding to help bring affordable housing projects to successful completion, including units targeted to this specific population. The Department encourages our housing partners and organizations to participate in the development of the Housing Trust Fund allocation plan for the State of Montana later this summer. For more information about the Housing Trust Fund Program for the State of Montana, visit the Program and Boards tab on the Community Development Division website at <http://comdev.mt.gov/>.

NeighborWorks Montana
Sheila Rice, Executive Director

Comment #4:

It's nice to see the reflection of all the work of many people in this room. On page 5 of CAPER, I note that there's zero, well, actually four, in the first three columns, first three rows, which deal with rental units, rehab and homeowner housing added. And I just want to point out, once again, that the requirements for the procurement process, which I understand are based on Montana and federal law are a hindrance to being able to use HOME with –and I think will be a hindrance to use the National Affordable Housing Trust.

So my suggestion to the Department is that we actually, together, select an attorney that has multi-state experience that can tell us how other states are able to do this and Montana is not. And what I mean by “this” is that we are able to use as developers a design build or a procurement process that’s not as restrictive as the one that’s currently implemented in the state of Montana.

Response to Comment #4:

As explained in the Draft CAPER, 2015-2016 is the first year the CAPER has been presented in the new electronic consolidated plan format required by HUD. Unfortunately, the 2015 CAPER does not accurately reflect the data goals and objectives met by the State of Montana during Plan Year One because the data entered by the State was not accurately reflected in the data collection reports for many of the programs. The Department of Commerce is modifying and improving its data collection and reporting processes for the CDBG and HOME programs to better align funded activity accomplishments with CAPER reporting requirements.

With respect to alternative delivery methods, Commerce is committed to working with our local government and non-profit partners to find innovative ways to administer the CDBG and HOME programs in the State of Montana. While the alternative delivery method of Construction Manager At Risk is allowed under Montana state law and under federal law for architecture and engineering services, the HUD regulations governing procurement for HOME and CDBG funded construction projects over \$150,000 requires a sealed bid method with public solicitation and a firm-fixed-price contract, with the bid being awarded only to the lowest responsible bidder. (See 2 CFR §200.51(a), 200.101(b)(1), 200.319(a)(1)-(7), 200.320(c), 200.320(d)(5), 92.505(a), and 570.502.) Commerce staff continues to research HUD regulations and other state programs to determine if there is a legal way to allow for CMAR in HOME and CDBG-funded projects in Montana.

**North Central Independent Living
Shyla Patera**

Comment #5:

I, too, want to commend the work of many housing advocates and all of us in this room working on the CAPER. And I’d just like to remind everyone that home ownership and rentals, community agencies have to work on accessibility issues. And even in the homeless comments that Mr. Buzzas was talking about, many individuals have co-occurring disabilities that, I don’t want to say hinder, but that add to how they perceive everything and how they work through issues. And we know that accessible housing stock in home ownership and rentals, a lot of that is huge.

For myself, recently being a new homeowner for a few years now, I believe that home ownership is the key. But not everybody is at that level yet. So we need to make sure that accessible housing stock for all income levels are being built, particularly low income and elderly, because Montana’s aging in place. I will be submitting more written comments, but I just wanted to add my two cents.

Response to Comment #5:

Please see response to Comment #3. In response to similar comments received on the 2015-2020 Consolidated Plan encouraging Commerce to include policies on visitability, accessibility, and Universal Design in the State of Montana CDBG and HOME programs, the CDBG Large-scale Multi-Family Housing Development and Rehabilitation application guidelines were modified to encourage the three basic visitability features in all projects proposed for funding: at least one zero-step entrance, doors with 32 inches of clear passage space, and at least one wheelchair-accessible bathroom on the main floor. The Department will take these proposed features into account when reviewing, ranking, and recommending applications for limited program funding. Similar language will be included in the updated HOME program and CDBG Large-scale Multi-Family Housing Development and Rehabilitation application guidelines when released for public review and comment. All buildings or facilities designed, constructed, or altered with funds provided under the HOME and/or HTF programs must comply with the HUD regulations 24 CFR part 8

“Nondiscrimination Based on Handicap in Federally Assisted Activities of HUD”; 42 USC §12101-12213, the “Americans with Disabilities Act”; 28 § CFR 35 and/or 36 the “2010 ADA standards for Accessible Design”; 42 USC § 3601-3619, the “Fair Housing Act”. All buildings or facilities designed, constructed, or altered with funds provided under the CDBG program must additionally comply with the 42 USC § 4151, the “Architectural Barriers Act”.

Homeward, Inc.
Heather McMilin, Housing Development Director

Comment #6:

I just wanted to comment, reflect a bit on what Sheila said about there’s a reflection in the current version of a lot of work and back and forth between staff and agencies. So thank you very much. I know it was a lot of work to get to this refined point. And I look forward to simply executing projects over the next year or two clean and simple.

And we had a good conversation yesterday with the Board of Housing regarding four percent tax credits and just the complications that come with trying to make a noncompetitive source work. So I just want to encourage staff to enter into some what might be complex conversations about coming up with creative solutions on how to pair some of the resources and look at different delivery methods. Because we found some very positive things from our last Sweetgrass comments, which has been processed now that we want to carry forward and try to accomplish sustainable, affordable common sense approaches to housing. And trying to get more of that done in the state will require some creativity with the limited resource we do have. So thank you.

Response to Comment #6:

Please see Response to Comment #4.

Human Resource Development Council of District IX
Sara Savage, Housing Development Director

Comment #7:

And I want to mirror the comments thanking Jennifer and your team for all the hard work on putting this information together.

What I’d like to comment on is consideration for the next annual action plan and including some additional tools to help communities address the many issues surrounding housing. One would be the inclusion of urgent need funding to help existing facilities that need emergency or repairs in order to continue to provide those critical services in those communities and, additionally, tenant based rental assistance to help support and leverage some of the existing resources like ESG and CoC funding and some of our high cost, high demand communities that are struggling for our residents to maintain affordable housing.

Response to Comment #7:

During the development of the 2015-2020 Consolidated Plan and 2015-2016 Annual Action Plan, the State of Montana held a series of public hearings, collected extensive population and housing data, and conducted housing and community development surveys to identify and prioritize the housing, economic development, and community and public facility needs across the State of Montana. The allocation of CDBG, HOME, HTF, and ESG funds for the five-year planning period was then designed to best address those needs. If our housing organization and local government partners want to see some amount of annual program funds allocated instead to emergency funding for facility repairs or tenant-based rental assistance, these needs can be discussed during development of the 2017-2018 Annual Action Plan for Plan Year 3. For more information about the upcoming 2017-2018 Annual Action Plan for the State of Montana, visit the Consolidated Plan page at <http://commerce.mt.gov/conplan>.

Missoula Department of Grant and Community Programs
Erin Kautz, Grants Administrator

Comment #8:

I administer the HOME grant along with the state grant that's not related to this. And I just wanted to say that as a city/county department, it's been great for us to work with the State in collaboration on different projects. I feel like we've had a lot of success making projects successful through our combination of city and state funds. And we look forward to Homeword Sweetgrass project as a great example of that. And then in the next year we will also be pursuing some funds for North Missoula Community Development Corporation's new project, the Lee Gordon Place using a combination of city and state funds. So it's basically just a thank you for working with us on all these.

Response to Comment #8

Thank you for your comment.