COMMUNITY AND PUBLIC FACILITIES FOCUS GROUP

SPONSORED BY MONTANA DEPARTMENT OF COMMERCE

IN SUPPORT OF MONTANA'S FIVE-YEAR CONSOLIDATED PLAN

TRANSCRIPT OF THE PROCEEDINGS

Robert Gaudin, Facilitator

301 South Park, Room 504A
Helena, Montana

May 2, 2014
12:45 p.m.

REPORTED BY: CHERYL ROMSA
CHERYL ROMSA COURT REPORTING
ONE NORTH LAST CHANCE GULCH, #3
P. O. BOX 1278
HELENA, MONTANA 59624
(406) 449-6380
PARTICIPANTS

IN ROOM 504A:

MICHAEL McCORMICK
Livingston Food Pantry

ON WEBINAR/TELEPHONE CONFERENCE:

PATRICIA KENT
Western Montana Mental Health Center

CRAIG ERICKSON
Great West Engineering

KAREN BYRNES
Butte-Silver Bow Community Development Department

ROBIE CULVER
Stahly Engineering & Associates, Inc.

ERINN ZINDT
Midwest Assistance Program, Inc.

CALLIE McINTOSH
Midwest Assistance Program, Inc.

DEPARTMENT OF COMMERCE:

STEPHANIE CRIDER

JOANNE GILBERT
COMMUNITY AND PUBLIC FACILITIES FOCUS GROUP - MONTANA DEPARTMENT OF COMMERCE MAY 2, 2014

WHEREUPON, the following proceedings were had:

MR. GAUDIN: For those of you who are on the telephone, we had waited a few minutes. We have a parade outside the door, so we're thinking that maybe people are stuck in traffic.

MS. CRIDER: This has just been a comedy of errors for us.

MR. GAUDIN: So I apologize for that. But I would like to get started. My name is Rob Gaudin. I'm the director of research and planning for a Portland, Oregon consulting firm by the name of Western Economic Services. We provide housing and community development planning services throughout the country, from Boston to L.A. and Montana to Mississippi and a lot of places in between.

But I have the privilege to report that we've been working with the Montana Department of Commerce for the last 28 years. And most of that work has been related to consolidated planning issues, or the study before that was called the Comprehensive Housing Affordability Strategy. Throughout all of this, you know, we do periodically take a more reflective view on what our housing and community development needs are.

So we're embarking upon this five-year strategy at this time, the kind of thing that we're really required to do. In some ways this is like a compliance. We get money from HUD for HOME and CDBG and ESG programs, and in return for those funds we need to take a few moments every five years to think about how we might prioritize what our needs are, what kind of strategies we might take to address those needs, how we might best implement our resources in an efficient fashion. So we have a five-year strategy and an annual action plan. And we need to do it in such a way that we're also affirmatively furthering fair housing.

You know, this process is actually a little bit complicated, but, briefly, we take a look at quantitative and qualitative data. We drill down and try to identify not just the broad brush perspective but, really, what are priority needs within the array of communities, both small and medium size. Not the large communities so much, like Billings and Missoula or Great Falls, because they have their own programs for that also funded by HUD. But our approach here, we really want to try to identify how we're going to use these resources, how we're going to allocate them across both housing and community development needs.

I would like to take a moment and talk the multitudes of folks who are attending today's meeting -- I hope we have more than two on the speakerphone. But I'd like to start here at my left, for those of you who are on the phone.

MS. CRIDER: I'm Stephanie Crider. I'm with the Department of Commerce. Most of you have either gotten an e-mail or a phone call from me just trying to set things up. So that's who I am.

MR. McCORMICK: And I'm Michael McCormick, director of the Livingston Food Pantry of Park County.

MR. GAUDIN: And how long have you been doing this, Michael?

MR. McCORMICK: About four-and-a-half years.

MR. GAUDIN: Okay. And Patricia.

MS. KENT: Patty Kent, from the Western Montana Mental Health -- ( -- has joined the conference.)

MR. GAUDIN: Hi, Patty, we seemed to have lost connection with you.

MS. KENT: Can you hear me now?

MR. GAUDIN: Yes.

MS. KENT: Yeah, somebody joined the conference so it bleeped out.

So, anyway, I've been doing housing and treatment space for the mentally ill in western Montana for almost 21 years.

MR. GAUDIN: Very good.

And who else is now on the line? Well, they may also have their button muted.

(Robie Culver has joined the conference.)

MR. GAUDIN: Hi, Robie. How are you? Well, we heard your announcement.

MS. CRIDER: Star 2 will unmute the phone.

MR. GAUDIN: And maybe partway along the way, you'll figure out how to unmute. Star 2, I guess, is it?

But nevertheless, you know, the kinds of things that we're doing within this, there are certain national objectives that we need to attain; you know, provide decent housing and make sure we have a suitable living environment. And that includes, you know, infrastructure or water and sewer, as well as community and public facilities, as well as expand economic opportunities for some of our lower income citizens throughout the state.

You know, HUD would like us to do this in a certain type of way, kind of offering us some accountability. Right? We need to do this in a sustainable fashion so that it enhances the long-term viability of our communities, that we are indeed able to benefit individuals and families who qualify for our programs, chiefly those who are a little lower income, as well as creating and maintaining affordable housing throughout our communities.
Now, the kind of resources over the last few years that we've been getting from HUD have been declining. 2014, which was just recently announced, was a slight increase from the previous year, so that's a hopeful sign for our future. But it's in excess of $9 million flowing into the state for these kinds of issues. Now, $9 million is a good amount of money, and I believe that we can spend that wisely.

In doing our plan, though, we need to take into consideration a fairly broad array of issues, as I noted earlier. We do this by taking sets of data and measuring relationships. We also want to have expert opinion, like you, and you guys, and advise us about what's going on.

So fundamentally today, your role is a very important one. You know, tell us what's going on. Tell us about your challenges, how we might overcome them collectively a little bit better. You know, so it's an opportunity for you to talk to us in the early stages prior to analysis of lots of data, prior to public input meetings. We wanted to take this opportunity to kind of reach out to you and see what your challenges are and how we might be able to incorporate that with this overall process.

So if I'm just yammering on, and I probably will until somebody, please, interrupts me -- You know, the idea is for you to provide to us; this is a listening opportunity for us. You know, this vehicle that we're using, the Go to Webinar, is being recorded. So please share with us your experiences, your opinions, your perspective and commentary about how it's working for you today and how we might be able to make it better work in the future.

There are some specific topics or pieces, if you will, of the Consolidated Plan. We go through this kind of with an assessment approach. We take a look and inventory all of our needs. We try to assess their importance, how critical they are, what the size of this need is, and then we develop a strategy for some idea of how to attack this particular problem. Following the strategy, we actually take actions, we spend resources. Each year we get these resources from HUD, and each year we have a specific set of actions that we wish to accomplish.

I won't get into, at least today, too much about fair housing. But we have to, within our programs, certify that we're affirmatively furthering fair housing, which means we operate our programs in such a way as enhancing access to being able to make housing choices which are free from discriminatory actions associated with protected classes.

Following all that, we get to report back to HUD about how we did last year, so this Consolidated Annual Performance and Evaluation Report. So the strategy, you know, the actions, and reporting back to HUD is kind of the loop that we go through. And the strategy is done once every five years. You know, it has some fairly elaborate parts. There's a housing needs assessment and a homeless needs assessment, the community development component, which is what we're addressing this afternoon, and the non-housing special needs populations are also addressed. You know, we document the entire process and who we had participate and how we conducted our outreach and so on. But this body of information has us create the Consolidated Plan.

You know, the community development piece which we're talking about today -- We had another focus group devoted to economic development. Today's Community and Public Facilities really does kind of give us a walk down the community development arena, which includes infrastructure, whether that's sewers and roads. If we have a need to address special needs populations, I'd certainly encourage some of that as well today. This is the last of three specific focus groups, so if we have opportunities to address other matters, that would be great.

But more specifically, what I really want to do -- (Craig Erickson has joined the conference.)

MR. GAUDIN: Hi, Craig.

I think we're getting our answers -- our questions answered. I'm not sure how many other people can actually talk and we can hear them. But why don't we say, for those who have called in, Patty has already made a few comments. Craig, how about yourself; can you introduce yourself and talk a little bit about background in community and public facilities?

MS. CRIDER: Star 2 will unmute your phone.

MR. ERICKSON: Ain't technology grand? Well, howdy, everybody. Anyway, this is Craig Erickson, from Great West Engineering. And my background? Ten years at Bear Paw Development as an EDA planner and grant writer, grant administrator; and the last five years at Great West Engineering doing grant writing, grant administration. And also, we do growth policy updates, capital improvement plans, floodplain assessments, and things like that. So in a very brief, brief description, that's what I do.

MR. GAUDIN: Thank you very much.

MR. ERICKSON: You're welcome.

MR. GAUDIN: When the software announced your presence, we were talking about, you know, what we are hoping to do within the community and public facilities arena for this focus group. And that really comprises giving us a sense of how you define these types of facility needs, maybe by the type of facility and kind of
thing that I see is you have boiled water orders competing needs to get the money spent where we need it. I understand how do we need to document needs and how do we've done a lot of this comprehensive plan review or I'm sorry if there is someone that is new to this, but that -- I mean, I don't -- A lot of us understand -- And groups is just go over some of the preliminary data that State to take. What I have done for the other focus changed, you know, what are kind of good steps for the process really is just speaking for myself.

But I would like to --

And I think with public facilities, the most difficult thing that I see is you have boiled water orders competing with sewer competing with a Head Start project competing with a homeless shelter, and Montana as a state, with the exception of the entitlement cities, has enough to do maybe two or three projects. And so the biggest thing is, that catchall public facilities category continues to be funded less and less and yet those needs, particularly in the rural areas, simply grow. And so you might get a sewer system in or a new water system in somewhere, but you haven't even begun to address what doesn't qualify as housing under the housing category or for HOME funds or for continuum of care funds.

And I think that, for me -- The public facilities money is some of the only money that is available for things like crisis stabilization homes or a Head Start building or whatever it is that are critical components to support community needs, and yet they're not the big sewer system or a major apartment complex or first-time home buyers. So I think if there's anything that I can say, is, that pool of money probably has a much greater demand than you're seeing because people just say, We aren't going to apply because only two projects will be funded. And so you don't.

And then, secondly, the CDBG grants for public facilities are some of the most voluminous grants to put together. You're laughing? Yeah, I know.
25 questions, give or take one or two, related to center -- excuse me, a nursing home renovation, and the CDBG funding, I just wrote a CDBG grant for a senior major concern for our clients.

They've been very difficult to put together, time-consuming, and expensive; and there just historically has not been much money, so it's not a resource that is often looked to. And yet it is one of the only sources that can cover certain things, and particularly with respect to anything that has a component of treatment and a short-term stay; that is, for disabled folks typically well under median income, and families.

So I just want to say we need it, we need more, and we need to make it easier to apply. And I realize that's really tripe because you hear that at a every single meeting. But it's a very unique pot of funding with respect to its eligible uses. And so I want to make a plug for it as being a really important piece of how to address a lot of the problems that include the housing continuum, if you will, but more of a treatment component. Addiction is another example.

So thank you.

MR. GAUDIN: Thank you.

Craig, was there something you wanted to add to that?

MR. ERICKSON: Well, yeah. I mean, getting back to that question of what, in my opinion, are the greatest needs, law enforcement, schools, you name it. They're trying to deal with it, and they can't begin. They're having a very difficult time coping with it.

The cost of these projects -- Glendive is in the middle of a very large wastewater treatment project, and the bids came in very high. And as we've drilled into why, it's primarily labor; the contractors cannot compete with the Bakken, so labor costs are very high. But generally speaking, across the state of Montana, I would say housing, water, wastewater, and roads, as a major, major concern for our clients.

And whoever commented on the process of applying for CDBG funding, I just wrote a CDBG grant for a senior center -- excuse me, a nursing home renovation, and the 29 questions, give or take one or two, related to planning. You know, there is -- you know, unfortunately, our client is the type of client that has done health care assessments and they have done a housing study, so we have the ability to respond to those questions that are in the application. But many clients, especially when you get into the smaller communities, simply do not have the capacity or the financial wherewithal to invest in the types of planning documents that are needed to address the types of questions that are currently being asked by the Community Development Block Grant Program.

I do understand that most of that's being statutorily driven, but holy cow, that's a tough row to hoe. So I don't know what can be done to streamline that process. But after going from the CDBG application to a TSEP application, the TSEP application looked downright simple. And that's not the easiest application either, but it's more project specific, and I really did appreciate that about the TSEP application.

So those are my comments.

(Karen Byrnes has joined the conference.)

MR. GAUDIN: Hi, Karen.

As far as that particular line of thought about the community and public facilities, do you see some difficulties between securing resources for the hard costs and maintaining a flow of resources for the soft costs, kind of capital versus operational resources?

MS. KENT: You're fielding that one to anyone?

MR. GAUDIN: To anyone.

MS. KENT: You know, basically, I think that should be one of the ultimate levels of analysis for any public facilities project, is if you build it can you run it. You know, that's pretty important to know. And part of the reason we use grant money and how we use it is to create that pre-facility so that whether it's a lower rent that we're charging or we're receiving a nightly rate for a therapeutic component we can pay for the staff and we can keep the lights on. But again, that's why the grant funding is so critical. Because when you add to operating costs a mortgage, that's often the piece that tips things over or creates the less affordable project and cannot reach the lower-level income folks.

MR. GAUDIN: So to what extent would these soft costs sink some prospective community or public facilities?

MS. KENT: You mean, operating costs?

MR. GAUDIN: Yes.

MS. KENT: Well, in the world of addiction -- That's why we don't have any addiction treatment. Because there is no payer source, except hopefully if you have a Medicaid client they're the payer source. If the Medicaid expansion goes through the Legislature, there will be a payer source for a lot of people. Under the ACA, there might be a payer source. But, really, it comes down to how are folks paying for treatment. And if they're not on...
MR. GAUDIN: Well, here I'm just going to follow a little dialogue and offer some other questions. Within this arena, and treatment in particular since that's what we're talking about with you, there are economies of scale, which would imply the consolidation of services to be delivered in particular areas. Would that be a viable alternative for you?

MS. KENT: Yes and no. It depends on the service and it depends -- Because there are really funny rules with respect to mental health that you can't have more than 16 beds in certain facilities because then they're a hospital. So there's all these other quirky statutes, depending on what you're doing, that may limit you to 16 beds.

Now, 16 beds is actually a pretty good economy of scale for this -- this state. We looked at how low we could go, and you really can't go below 12 in addiction, and 16 is proving tough. So it depends on -- I mean, and I see what you're saying; well, not every community can have every facility, and I totally agree. But I'll tell you what, when you're in a psychiatric crisis and they say, Don't worry, we'll just take you in the car over to Warm Springs; and by the way we have to put you in shackles, and it's okay, that won't cause any increase in your anxiety; and our sheriff will take you there, and it takes them two-and-a-half hours in a winter snowstorm to get there. That's a system we already have. That doesn't work. It doesn't work for the counties, it doesn't work for the clients, and it definitely doesn't work for the state.

So there has to be a balance in what those services are and where they're offered. And then you've got all these layers of different funny rules about who is paying for what and what size things can be. So I understand what you're asking. It isn't always that simple. And what you'll find I believe in Montana is you have the same problem as everywhere, it's just a matter of volume. And so whether there's 500 people or 50 homeless people, you're going to have homeless people in every community; and psychiatric crises and suicide -- potential suicide issues, every community.

So it's a tough question. And that's why in some respects it's very expensive to build here, because you do end up building facilities that are smaller to serve a very large geographic area that just doesn't have the population base. But that's the nature of the beast in a rural state.

MR. GAUDIN: Okay. But let's come back to, as you call them, the quirky rules or certain things that cause the label to change from one word to another word, which is a whole other set of rules; or maybe it's not able to locate in town because you're now this other new word. What can --

MS. KENT: You lose your funding. You lose Medicaid funding. And in this state, you don't want to do that, not with mental illness; that's a pretty critical piece.

MR. GAUDIN: What can Commerce do to facilitate overcoming any of these barriers?

MS. KENT: Well, I guess you have to decide if it creates a problem. And really, a 16-bed facility in most communities in this state would be great. I mean, it would be full and it would be utilized. And I think going larger than that is a rare case except for somewhere -- maybe Billings, maybe ultimately Missoula, but it's rare. And that's also just that the scale of life here is not well-suited to large institutional settings.

MR. GAUDIN: Right.

MS. KENT: And I haven't always lived here. I mean, I've lived in a lot of big cities and I see the difference. But you try to do something in Montana on a different scale and it doesn't always work simply because of the scale. So is it broken? I don't know. That's really the question.

But, I mean, if you were asked to drive 250 miles to have your leg set because you broke it on the football field, you'd have fit. Not you personally, but everyone would. Medical care is all over this state in all different sizes and shapes. We don't have that for addiction or mental health, and that's where the gap is. So it's really an expectation of the cultural phenomena.

How do we best serve it? CDBG public facilities. I'm just telling you, you guys are really important. And somehow, a bigger allocation for such a big state because of our lack of economies of scale would be tremendously
I mean, Montana has the poverty statistics, the suicide statistics, the addiction statistics. They're off the charts. So it's really saying to Congress -- We get an allocation based on population. What about an allocation based on need, given the percentage of this population that is significantly higher than the national average? So, I mean, it really -- I think it just comes down to that level.

Because if you try to shift it from housing or anything else, then the housing people are going to say, No, you can't do that. And I understand that as well.

MR. GAUDIN: Okay. So aside from mental health and addiction and treatment, are there other public facilities, for any other of the individuals who might be here or participating on this call, that you think should be allocated more resources from Commerce?

(No response.)

MR. GAUDIN: I'll take that as a no.

MS. KENT: It's unanimous. There we go, my job's done.

MR. GAUDIN: Well, I didn't hear anything, but that doesn't mean everybody agrees or disagrees.

MS. KENT: I understand.

MR. GAUDIN: Yeah.

You know, I don't think I necessarily want to go by today's script.
MS. KENT: If you could re-send it. It's supposedly fixed. It's been a two months' nightmare.

MS. CRIDER: I can go ahead and send that to you.

MS. KENT: But I think it would be interesting to see how this preliminary survey fits in with, you know, the other data that -- I mean, DPHHS does a huge report every year for the Legislature on the state of sort of the need and the people they serve. And the White Paper, I believe it's called, that Commerce puts out has a lot of very interesting data as well regarding housing that overflows into public facilities.

And so -- I mean, I just had a conversation today about crisis stabilization in Sanders County: Well, it's a huge county, how do we do it? We're trying to put together something in working with the tribe and the hospitals in Polson. It is so needed, and there is -- It is taking a tremendous amount of time. But you have this incredibly fractured county with huge demands. And part of it is, who reports a suicide as a suicide or do they report as other or do they report it as mental health call or do they put someone in jail and have them sleep off the alcohol that caused them to be suicidal?

And I'm not just talking about suicide, but I think this data, it would be interesting to know if it really fits in with what the other state agencies are putting together. Because childcare facilities I would never have guessed would be the number-one need in this state.

MR. GAUDIN: I think there's someone else who wants to make a comment, too.

Karen? Karen, we can't hear you.

MS. CRIDER: Star 2 unmutes it.

MS. BYRNES: Can you hear me now?

MR. GAUDIN: Yes.

MS. BYRNES: Yay. This has been a nightmare.

MS. CRIDER: I'm sorry.

MR. GAUDIN: We're all newbies.

MS. BYRNES: Technology was not working for me at all.

MR. GAUDIN: Well, now you're with us.

MS. BYRNES: Now I'm with you. That's good.

Yeah, as far as the survey goes, I have to say I with Patty, I did not get this. Maybe it's in my spam, too; or if I did get it I totally missed it. I would love to take part in it; yeah.

MS. CRIDER: I'll re-send that to you as well.

MS. BYRNES: Thank you.

Childcare facilities, that was the highest need? Am I reading this right?

MR. GAUDIN: The sentiment -- I've sorted all these by the frequency of high need identified by the participants.

MS. BYRNES: Okay.

MR. GAUDIN: Now, most of the other categories that we've reviewed, high need was 30 or 40, and 20 means that the sentiment for those participating in this didn't really have much to say. Medium need, you go down the list, more medium need, you know, than almost anything else. A few of them are residential treatment centers, you know, a lot are saying low need.

So the question comes to mind, of course, as you suggest, maybe the community has not participated in the survey yet. I mean, it's only been out a few days; we finally got the final version released just a few days ago. So maybe you were sent it and it just got diverted somewhere. When you do get it, please send it to your peers throughout your industry, send it to your fellow parishioners at your church or any other group that you might belong to, because everybody is welcome to participate. So we really want you -- we want to get a good idea of how people view these various categories of need.

I mean, I'm not surprised necessarily. We go backwards here to the previous slide about how people allocated resources. By the time they get down here to public facilities: Oh, that's not a big category, I'll just skip it. So we've got a lot of missing replies. A lot of people skipped certain questions. Look at this one down here, public buildings with improved -- 50 skipped the question. But it would be helpful -- it would be helpful to get people to participate and offer their perspective and commentary.

MS. BYRNES: Definitely.

MR. GAUDIN: Yeah.

But what I'm hearing you say -- Let's pretend for a moment that instead of saying 20 it said 94 but still had the same ranking. Would you believe this is a correct ranking, or is something out of whack from the ranking that's portrayed here?

MS. KENT: I would say it's a function of who has responded so far.

MS. BYRNES: I agree with Patty.

MR. GAUDIN: So if different people participated, you believe the ranking would change quite a bit.

MS. KENT: Yes.

MS. BYRNES: Yes.

MR. GAUDIN: On the phone, would you do us a favor? We have a court reporter. If you could say your name when you're responding.

MS. CRIDER: You can't tell who we are yet?

MS. CRIDER: It was really easy when it was just
Butte-Silver Bow, I would say that sidewalks and streets and roads are probably higher on our list. But, yeah, those top four are definitely majors. MR. GAUDIN: Okay. So let's go backwards one. We'll look at these again. Which one of these should be the top four here? See, when we get a thousand people to reply, we'll see if your prediction turns out. MS. BYRNES: I think you're -- Go ahead. MS. KENT: How are you defining health care facilities? Were there any definitions or is this just how it is presented? MR. GAUDIN: It's just how it's presented. MS. KENT: This is Patty. I think health care and residential treatment should be near the top, because if you aren't healthy it's hard to do much else. MR. GAUDIN: Okay. Well, I certainly urge you to participate in the survey and, you know, give us your perspective and commentary on those questions that ask for a response, a narrative response, because it would be certain helpful to have that -- I mean, helpful for us. I mean, the question isn't how can we advocate to change federal law, because I'm pretty sure we're not going to be able to do that. You know, some of the definitions that are used that you referred to, I'm not sure we can do that. Then the question becomes, What can we do to facilitate delivery of these facilities and services? You know, are there other sources of information that -- excuse me, sources of resources which we might partner with or team with or somehow play tag team with to create the avenue for both the operational and the capital being applied efficiently in smaller communities? Can you identify any partners that we might reach out to? MS. KENT: This is Patty. I think -- I'm not sure that I understand your question, but I'm going to throw this out there. What I would ask you all to do is say, What are the resources that the state is already receiving in housing? There's the HOME program primarily. What are the resources that the state's receiving in economic development? There's a number of different pots out there for economic development, whether it's the Big Sky Coal Trust Fund, CDBG itself, I mean, whether it's a redevelopment agency locally. There are -- there are a number of resources at the state and local levels for economic development, and I would say, Well, what's missing, and then what's the pressure on this particular fund? And as a radical suggestion, to say, Do we need to allocate that much to housing and economic development, given the lack of resources in these other areas? And are there partners? Yeah, there's partners. And part of the grant process is saying who else have you tapped. Everybody wants to be the last one in; everyone wants you to leverage your money. This fund is being asked to put itself -- spread itself way to thin. And so I guess that's what I would advocate, is, yeah, you guys look at what other partners are out there and have that discussion and say, Does this make a reasonable allocation of where this fund goes? MR. GAUDIN: Well, just as kind of someone who is helping the discussion, the other focus groups, part of those discussions was some enumeration of partners that make deals work if the State can chip in a small amount, you know, and make the funds last and leverage and that kind of thing. That's where I was going at with this question to you, is, are there other places that could provide a portion of funds to make this small allocation to public facilities work more effectively? Is there someone that Commerce could team with or reach out to or partner with in some fashion that you're aware of? If you are, then that would be great, maybe we can open a dialogue with them. So that was where I was going with that question. And I'm hoping you do know. MS. KENT: Well, every grant that goes in there has a number of partners, that I've ever written. I mean, so I guess I'm sort of like, What do you mean with...
partners? It is very -- very infrequently do you see a sole source funding for a project.

So, Karen, maybe Craig, or whoever else is out there, let me know. But we partner and leverage to -- I mean, you'll have a dozen sources of funding in most projects, and that's just to get it built.

MS. BYRNES: Yeah, I'm right with you, Patty. This is Karen. Every grant we've ever put in has more than one source, at least three or four, at least, that go into it to make the project go. And so I think we are leveraging our partners to the absolute hilt already. I don't know how you could do it better.

MS. GILBERT: We had a comment from Robie Culver. She said that she thought that the infrastructure ranking looks about right. She's going to have to get off the phone soon, so she's going to send in her written comments.

MR. GAUDIN: Excellent. You know, because of kind of where we went with our discussion, we skipped a portion of it. Someone has also expressed an interest to leave early on Friday afternoon.

MS. KENT: Who could that be?

MR. GAUDIN: I don't know. But I do want to take this opportunity to thank you very much for participating. I would certainly encourage you to get the word out about our housing and community development survey. It's important to --

Yes, ma'am.

MS. GILBERT: Sorry. Robie commented.

MS. CULVER THROUGH MS. GILBERT: Historic and housing tax credit information and training would be helpful as a partner. Might try to engage the investors in this type of conversation.

MS. CRIDER: So partnering with SHPO.

MR. GAUDIN: Thank you for that comment.

MS. KENT: SHPO just reviews.

MS. CRIDER: Oh, that's right.

MS. KENT: I mean, when I hear "partner" I hear money.

MR. GAUDIN: All right. With that in mind, you know, we have some categorical statements about where we're headed with our population and our economy and so on, which we've skipped over those. What I have heard from you, the fundamental answer is what you're asking for is a greater allocation of CDBG resources. Am I going away with an incorrect notion?

MS. KENT: Well, a greater total allocation but perhaps divided between fewer categories or divided differently among the eligible categories, given the other resources available for some of those other eligible activities.

MR. GAUDIN: Thank you for defining that.

So I guess we have some notions here about what might be some of our primary needs, but again, from what you have said, some additional perspective and commentary needs to come in on the survey.

I see we have another question.

MS. CULVER THROUGH MS. GILBERT: Yes, the partner in historic tax credits would be individuals that have money to invest. SHPO is involved as the regulator.

MR. GAUDIN: All right. Well, listen, with that, I would like to say thank you very much for your time and your participation. If you have further comment or commentary you would like to offer, please send Stephanie or Jennifer, whose contact information is on the slide here, your questions or your comment or your position. If you wish to offer additional comments about the planning process or where we're going, I would very much appreciate receiving those kinds of things.

With that, unless there's further discussion or anything else, I guess we'd be done for this afternoon.

MS. KENT: You know, I'm not going to let you go quite yet.

Karen, before you got on, one of my points was that the local government should be able to decide, when they're submitting that CDBG grant, what their number-one need is and to not have an entire volume on the community needs assessment that covers everything from sewer to senior centers to addiction treatment to sidewalks. And maybe you could speak to that.

MS. BYRNES: Thanks, Patty. I'm sorry, my other phone rang in the middle of that, and I'm sorry I was talking to two people at once.

So at the beginning of the discussion, there was talk about the community being able to identify -- or the local government being able to say where greatest need is at the time?

MS. KENT: Right. Without submitting as part of the grant a survey of the entire -- you know, everything under the sun community facilities needs. To just say this is what we pick and believe us.

MS. BYRNES: Yes. I mean, just in the part of writing the grant procedurally, you know, you have your public hearings, you've identified what the greatest need is through this process, you've identified this project. And I think that we should be allowed to just leave that and that we don't have to back it up with a bunch of other information. We know what our greatest needs are in the community and we know we have to figure out how the funding can fit into a project.
designed to support entrepreneurs, existing small food
restaurants and institutions; so that they've added that
sanitized, vacuum-packed and sliced, diced, chopped, or
bring those beets into this kitchen and run them through
rather than sell a truckload of dirty commodity beets, to
local farm economy by giving farmers the opportunity to,
add value to their crops, to teach classes. We're working
with Gallatin College at MSU on a course program that will
train people to be employed in the hospitality industry.
And, specifically, we're working to develop a curriculum
that will train people for careers as restaurant and
institution cooks.

I've had meetings and put together programs with an
organization in Bozeman called Korman Marketing. They do
all the hiring for Crazy Mountain Ranch, which is a huge
guest ranch in Clyde Park owned by Altria. It's known
locally around Livingston as the Marlboro Ranch because
Altria used to be Philip Morris.

And so we're all about tackling the root causes of
hunger in Livingston and Park County, and the major
driver, of course, like anywhere, is economic.
80 percent, in an average month, of the people who come
into our Food Pantry for emergency food support are there
because they don't have money available to buy food. And
the reason they don't have money, 80 percent are either
unemployed or underemployed. About 55 percent are
unemployed. They are what I would call employable. Then
we've got 25 percent who are employed, some of them
working two and three jobs, but the jobs they're working,
you can guess, are minimum wage hourly, no benefits, and
many of them seasonal.

MR. GAUDIN: Right.
MR. McCORMICK: Last year, the Livingston Job
Service Center posted over 700 job openings. 17 percent
of those jobs were for restaurant cooks and related
kitchen workers. And I went out and interviewed the
people running those ads. They couldn't find people with
the barest, minimal qualifications to come into their
kitchen and go to work. We're going to prepare people for
those jobs.

So, you know, we're really more about economic
development. For me, after 30 years in the corporate
world, I moved to Montana to retire and go fishing, and
that got pretty boring after a while so I got involved
with the local Food Pantry. And what we're trying to do
in Livingston is create a model that can be duplicated in
other communities.
The community kitchen is really meant to support the
local farm economy by giving farmers the opportunity to,
rather than sell a truckload of dirty commodity beets, to
bring those beets into this kitchen and run them through
the huge food processor after they've all been cleaned and
sanitized, vacuum-packed and sliced, diced, chopped, or
whatever, in five-pound bags, and be able to sell to
restaurants and institutions; so that they've added that
value component to their product, and that's, of course,
where the money is.

So we're hoping to drive the creation of new businesses, the expansion of existing businesses, and the bottom line is allow people to create new jobs because they need people to support their growing businesses.

MR. GAUDIN: I think that's an admirable thing to be doing.

MR. McCORMICK: So that's what our $450,000 is going toward, brick and mortar.

MR. GAUDIN: Well, not only are you providing a place for someone to get something to eat -- Right?

MR. McCORMICK: Right. We will be serving meals. You know, the Food Pantry is still a significant part of this building.

MR. GAUDIN: Right. But the building can have multiple functions.

MR. McCORMICK: Right. The kitchen is like a timeshare condominium; you come in and you rent just the time you need. The kitchen and the multipurpose room, the community room, which will be used for meetings and serving meals and classes, and there's a couple of event planners locally who want to use it for things like wedding rehearsal dinners and what have you, that part of the equation, that will be self-supportive. The rental income on the kitchen will pay for the operation of the kitchen, including the salary of the kitchen manager.

And my hope is that we're going to develop our own line of Food Pantry products that will be sold at retail, so we will begin to self-fund the pantry so I can stop going out and trying to raise money all the time.

MR. GAUDIN: That's excellent.

MR. McCORMICK: Anyway, Rob, don't you think that conversation would have been better placed in the economic development?

MR. GAUDIN: I think you're right. I mean, because you're using a public facility grant to create a public facility with excess capacity, and that excess capacity is being utilized in a way to promote development in the community.

MR. McCORMICK: Right.

MR. GAUDIN: It's like an ideal solution.

So congratulations on that.

MR. McCORMICK: Well, thanks to all of you. We raised about $1.2 million. The CDBG grant was 450, and what that grant did that was so important, other than give us access to another $450,000, it really helped us leverage the last couple of grants we needed to meet our goal. So we've got all the funding in place when we --

We're doing groundbreaking in about two or three weeks, and when we open the door March 1, the facility is fully paid for, no debt to service.

And I think that's the way to use a CDBG grant other than just, you know, paying for things; use it to leverage additional opportunities.

MR. GAUDIN: That's right. You're working with the ideal situation. I want to applaud you for this.

MR. McCORMICK: Yeah. I went to a foundation in New York City and showed them that CDBG commitment, along with all other money we needed, and at that point we needed $175,000 to put us over our goal. And when the guy saw that and saw that he was going to close the deal, he wrote a check for $175,000. So we were done. I mean, we're never done, but --

MR. GAUDIN: Right. You're on your way.

MR. McCORMICK: Right.

MR. GAUDIN: Thank you.

(The meeting was concluded at 1:54 p.m.)
COURT REPORTER'S CERTIFICATE

STATE OF MONTANA )
COUNTY OF LEWIS AND CLARK )

I, CHERYL ROMSA, Court Reporter, residing in Helena, Montana, do hereby certify:

That the foregoing proceedings were reported by me in shorthand and later transcribed into typewriting; and that the 45 pages contain a true record of the proceedings to the best of my ability.

DATED this 16th day May, 2014.

s/Cheryl A. Romsa
CHERYL A. ROMSA