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CONSOLIDATED PLAN PUBLIC HEARING

SPONSORED BY DEPARTMENT OF COMMERCE IN
SUPPORT OF MONTANA'S FIVE-YEAR CONSOLIDATED PLAN

TRANSCRIPT OF PROCEEDINGS

Robert Gaudin, Facilitator

Sleep Inn Motel Conference Room

Miles City, Montana

May 22, 2014

8:00 a.m.

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5 WEBINAR PARTICIPANTS

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8 DONNA HOUSTON

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1 PROCEEDINGS

2 8:00 a.m.

3 MR. BRUMFIELD: Good morning.

4 Thank you guys for all getting up so
5 early after I'm sure being out all hours of the
6 night last night.

7 So we are here at our Consolidated Plan
8 breakfast and hearing and presentation and all
9 of that good stuff.

10 A couple of just housekeeping things.

11 We are doing this via a Webinar also,
12 and we have several folks on, so when you're
13 talking, please use a microphone. There os no
14 exceptions. You won't be heard if you are not
15 talking into a microphone.

16 For folks that are on the Webinar, if
17 you could raise your hand or somehow get our
18 attention if you have a comment or would like to
19 ask a question, that would be really great.

20 Also, on the Webinar, *2 will mute your
21 phone as well as unmute your phone.

22 So if you're are not talking, or you're
23 off shuffling papers or doing whatever you are
24 doing, please mute your phone. It's very
25 helpful.

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1 The other thing I'd like to be remind
2 folks is to sign in. I think we might have a
3 few staff. If you haven't, they can come around
4 with sign-in sheets.

5 If you have not signed in to this
6 hearing this morning, we need an official record
7 of that. Please do so. Signing into the
8 conference is not good enough.

9 So, we're going to make you work for
10 your breakfast this morning.

11 I also wanted to remind folks, we've
12 got a couple of surveys that are out there in
13 connection with the Consolidated Plan. This
14 billboard up here shows those two surveys. So
15 you can go up -- what are those things called?

16 THE AUDIENCE: QR codes.

17 MR. BRUMFIELD: QR codes, yeah.

18 So, I need to really get with it, don't

19 I?

20 If you do your QR code on it, it will
21 take you right to it. I don't think they're
22 long or extensive surveys, so we really would
23 appreciate you guys doing it.

24 The first one is a Fair Housing survey,
25 and the second is a -- I didn't write it down.

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1 AUDIENCE:: Community Development
2 survey.

3 MR. BRUMFIELD: Oh, Community
4 Development survey.

5 So that would be awesome.

6 And then I just wanted to remind folks,
7 too, and this is for this morning as well as our
8 next kind of nuts-to-bolts planning session, as
9 well as the whole conference. We're going to
10 post all of the presentations on the
11 housingmt.gov website.

12 So, you know, we probably won't have it
13 done by the end of the week, but hopefully
14 sometime next week, we will have these
15 presentations.

16 I've had several questions about, "Hey,
17 you know, could I take a look at Rick's

18 presentation again", or something. So those
19 things will be out there, and I just wanted to
20 let you know that is a resource for us.

21 So, with that, it is indeed my pleasure
22 to introduce Rob Gaudin from Western Economic
23 Services.

24 Rob, I've known Rob for years and
25 years. Gosh, I don't even know, I think I met

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1 you back in '95, when I started at the Board of
2 Housing.

3 But, Rob has worked with us and helped
4 us with the Consolidated Plan, you know, on and
5 off for a number years, and he's become really
6 active in what we are doing now, especially with
7 our Five-Year plan.

8 So, it's my pleasure to introduce Rob
9 and let him lead our discussion.

10 Rob, welcome.

11 MR. GAUDIN: Thank you very much,
12 Bruce.

13 I do want to say that actually my
14 firm and myself have been working for Commerce
15 for 28 years. Over that period of time, we've

16 learned a lot together.

17 But I also want to add, I'm actually
18 from Hamilton, and my first job was working for
19 one of our former governors, so I have some, you
20 know, relationship with others throughout the
21 state. So, it's indeed a pleasure to be back
22 once again.

23 You know, the firm, Western Economic
24 Services, began really right here in Montana,
25 and it's kind of a homegrown thing. Now we have

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1 clients from Boston to LA, you know, from here
2 to Mississippi, to New Mexico and all around the
3 U.S. It's approximately 28 states.

4 So, I want to thank you very much for
5 supporting me in the very beginning, and here we
6 are once again working together.

7 The idea behind the Consolidated Plan,
8 you know, 20 years ago, HUD decided to
9 consolidate, you know, several programs into one
10 application process. The idea was to make -- at
11 least in theory, make this just a little bit
12 more efficient.

13 Now, with one application and one

14 public review process, and so on, and to a large
15 extent, that has been true.

16 The HOME program, the National
17 Affordable Housing Act of 1990, kind of made
18 this Consolidated Plan and process a little bit,
19 you know, all about housing, so that's really
20 kind of important, and less so in terms of the
21 recording and planning for community
22 development. But, they are also both very
23 important.

24 The kinds of things we have to do are
25 the Five-Year Strategy, as Bruce noted, and

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1 Annual Action Plan. There's also a Fair Housing
2 piece, as indicated by the survey.

3 You know, the Fair Housing piece is
4 important. A few years ago, there was a county
5 that got sued for not certifying that they
6 they're affirmatively furthering Fair Housing,
7 that in the end, they lost their Annual Action
8 Plan funding.

9 So it's something that I'd ask us to
10 pay a little bit closer attention to these
11 days.

12 But ultimately, the planning process,
13 we really want to take a look how to gauge what
14 our needs are, what do we think our housing and
15 community development needs are; how do we
16 prioritize them; what do you think we ought to
17 do about it?

18 Ultimately, we're trying to figure out
19 how we're going to spend our money, right? How
20 are we going to allocate them geographically, by
21 kinds of project, kinds of topics?

22 So these are the things that HUD wants
23 us to see in terms of a five-year or longer term
24 planning horizon.

25 Of course, you know, there's some

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1 national objectives that we need to have
2 organized in a certain way, you know, providing
3 decent housing, a suitable living environment,
4 which is largely infrastructure, and economic
5 development, you know, good economic
6 opportunities.

7 And the idea, also, is to have some
8 outcome, that the instructions are to have this
9 planning system, have some objectives and a set

10 of measurable outcomes.

11 How did we enhance our communities?

12 How do we sustain their growth in the future?

13 How many people were able to benefit from these

14 programs in the way in which we implemented our

15 programs? And, how we're going to create and

16 maintain affordable housing, whether that's

17 through redevelopment or rehab or new

18 construction or what have you.

19 And over the years, we've had various

20 levels of funding, which largely in the last few

21 years, unfortunately, have gone down, but it's

22 still, you know, many millions of dollars from

23 which we can tap into.

24 Our idea in conducting this analysis is

25 quantitative and qualitative.

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1 The quantitative stuff, we're trying to

2 measure relationships. See how fast we're

3 growing and where we're growing where we're

4 declining and how fast we're declining.

5 Today's session is the first of two

6 public input meetings. We will have another one

7 in July.

8 You, too, have a responsibility to this
9 process, and I'm hoping you're all here for
10 this, that it's like, "Yea, public involvement."
11 It's your opinion that matters. So the idea is
12 to just speak up.

13 Okay, your job is to interrupt me,
14 because I'll just keep on yapping and yapping
15 and yapping until you say something, and it's
16 really about you. You know, what do you think?
17 Has this analysis gone not far enough? It's
18 gone too far? Have we missed something?

19 If you have a clarification, you know,
20 this is really an opportunity for all of you to
21 participate in the direction of the
22 decision-making and to influence how we might go
23 about attacking our problems.

24 Development of strategies in response
25 to the needs that we're seeing kind of come out

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1 of both the quantitative and qualitative data,
2 as well as the public input.

3 So, I want to emphasize, this is about
4 you, so if you have something to say, please do
5 it.

6 If you have something to ask -- if
7 you're anything like me, it's a brilliant
8 question, brilliant. What was it? Why didn't I
9 ask that question? So, please just speak right
10 up.

11 You know, if you have your hand raised
12 over here, and I don't see it, just blurt it
13 out. So that's really -- oh, you want to say
14 something? Just kidding.

15 See, it's like an auction. Don't raise
16 your hand unless you really mean it.

17 (General laughter.)

18 Okay, the kinds of things we need to
19 do, of course, just to iterate that, the
20 Five-Year Strategy, the Annual Action Plan, the
21 Analysis Impediments, I may say it as "AI" a few
22 times during this presentation.

23 But later on, we kind of all have to be
24 responsible for what we said and did and report
25 back to HUD in the Annual Report.

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1 And the kinds of things we have to
2 address, it's not just housing. We have to talk
3 about homelessness, community development, you

4 know, water and sewer, streets and roads and
5 runoff. You know, economic development,
6 community and public facilities.

7 There's a host of things that can
8 conceivably be addressed in this, as well as
9 both non-housing and service needs of some of
10 our special populations.

11 And all of this needs to be documented
12 in such a way as it's (a), understandable, and
13 (b), HUD says "Great job", and we're not in
14 trouble.

15 So what I want to do is just kind of
16 walk you through kind of where we're at. We
17 began just a few months ago. We're certainly
18 not done really until the end of the year.

19 But the idea here is to talk a little
20 bit about some of our demographic trends and
21 some of our economic influences, what our
22 housing situation looks like, as well as, at
23 least right now, today, some preliminary
24 findings of the housing and community
25 development survey.

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1 Remember, there are two of them. And

2 the analysis of housing is slightly different,
3 and that will be presented at a different time
4 later on this summer.

5 So let's just kind of look at some
6 things.

7 Here is some data from the Census
8 Bureau about our population, you know, its
9 racial and ethnic breakup. You know, we see the
10 population rising reasonably well, 9.7%.

11 In the last couple of years -- I don't
12 have it here now -- we are over 1.015 million.

13 Yea! Made it past a million, so great.

14 But some populations, while we are
15 still predominantly white, the share is
16 declining a little bit, and other populations
17 are growing more quickly.

18 You know, we see Hispanics, you know,
19 jump 58%. Still a small group,, but this is
20 true not just here, but most other places
21 throughout the U.S.

22 You know, American Indians are rising
23 as well; a little bit faster than statewide
24 average, 11.6%.

25 Now, where people choose to live is a

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1 concern to HUD. You know, sometimes people
2 choose to live because that's what they want,
3 and other times, people are not allowed. And
4 this is kind of the element to the Fair Housing
5 study.

6 And here we have just a geographic
7 distribution of American Indian populations,
8 kind of concentrations by census tract. Of
9 course, Tribal lands gives us kind of a unique
10 situation where you have high concentrations.

11 Now, throughout all these maps, we're
12 going to have the same colored sequences. You
13 know, the lightest yellow is from zero up to,
14 you know, a certain average. And then beyond
15 that, statewide average, 10 percentage points.
16 The little bit more green color.

17 Above 10 percentage points, in this
18 case, beyond 16.3%, is an overconcentration
19 meaning, hmm, a disproportionate share.

20 Now, of course, with the institutional
21 structure and Tribal lands, and so on, we're
22 going to see that. But outside those areas, you
23 know, why has it occurred that we have these
24 darker green.

25 Now, when we get to other races or

1 other ethnicities or poverty and various other
2 considerations, when we look at the Fair Housing
3 study, we're going to look at lending and how
4 many people get denied, the same color sequence
5 is going to be working. Also talking about
6 where we have problems - overconcentration and
7 disproportionate shares.

8 For example, here we have only one
9 census tract that's just barely
10 overconcentrated, and that's just by West
11 Yellowstone area.

12 Nevertheless, Hispanics are a growing
13 population, but we don't have significant heavy
14 concentrations throughout the state, at least in
15 terms of census tracts.

16 You know, when we begin looking at our
17 age, right, wow, 5 to 19; 35 to 54, over the
18 decade, they declined. That's a little bit
19 different, with the 9.7% growth.

20 What I find remarkable, and it's many
21 places throughout the U.S. have this now, the 55
22 to 64 are growing really rapidly.

23 If you're thinking about housing, this
24 is probably going to be "aging in place". Do we

25 need patio homes, you know, need to be located

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1 more towards services, you know.

2 This is a significant challenge for
3 people who want to age in place - have some
4 freedoms that they've enjoyed throughout their
5 entire life and persist throughout their older
6 ages. Even as well, 65 or older are also
7 growing rather rapidly.

8 If we drill down a little bit into the
9 older citizens and their age groups, we see the
10 early 60s growing very fast, but 85 or older
11 jumping 30%.

12 Granted, these are small groups in
13 comparison to the entire state, but small
14 changes in these groups also mean that the
15 demands for kinds of housing products, and for
16 those over 85, housing with services due to the
17 likelihood of some ambulatory and other
18 disabilities.

19 Some difficulties with activities of
20 daily living, you know, that will influence the
21 demand for certain housing products. It will
22 also influence the demand for where people might

23 want to reside or move to. Maybe move back into
24 town a little bit so they're closer to other
25 services. These are all thing I expect to see

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1 emerging.

2 You know, interestingly enough,
3 household size continues to fall here. In the
4 persons per household, we have huge number of
5 one- and two-person households growing quite
6 rapidly. Four-person households declining. But
7 we're beginning to see a resurgence in very
8 large households.

9 Generally speaking, these are new
10 residents to the state with the larger families,
11 you know, six and seven persons. I expect,
12 generally speaking, these are minority, racial
13 and ethnic populations that have larger
14 families. Sometime they immigrate from outside
15 this country to here. But, we do see a rising
16 demand in that group for very large bedroom size
17 housing units.

18 JIM MORTON: I have a question.

19 MR. GAUDIN: Yes, sir.

20 MR. MORTON: For years, we were -- many

21 of us were using the track example on your
22 discussion about growth and demographics
23 regarding age. So that that 5 to 19, and then
24 we would lose population, and then it would come
25 back up as we got into the 55 and 65.

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1 Is that still true within that analogy
2 in the discussion, and that it's always been in
3 that 35 to 55 we're losing folks, and that's
4 often our professionals and home buyers?

5 MR. GAUDIN: I'm not sure exactly.
6 Your question is, why are we doing that?

7 MR. MORTON: No, is that drop still the
8 same, from your --

9 MR. GAUDIN: Well, as time proceeds,
10 that track will move forward. But what we do
11 see are people, if you will, empty nesters, you
12 know, coming back, and that is rising rapidly,
13 that particular group.

14 And as they get into their 55 to 64 or
15 65 and older, the types of housing products that
16 they are going to demand, because it's a much
17 larger group than we have seen in the past, is
18 likely to influence the marketplace.

19 Other questions?
20 (No response.)
21 MR. GAUDIN: Okay, we have a fairly
22 strong population growth. That's great.
23 In some areas, it's not growing very
24 well. Others areas, such as here in eastern
25 Montana, it's growing quite a bit better,, but

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1 the statewide average, we do see some
2 significant growth.
3 So what's been going on with our
4 economy?
5 You know, these are statewide
6 statistics. Nevertheless, this is labor force,
7 and labor force is a count of people who are
8 either working or looking for work. And that's
9 the top line - you're working or looking for
10 work, and the bottom are those working.
11 What we see, of course, in 2008, a
12 significant decline, you know, due to the
13 national recession, but, we see some recovery.
14 When we look at the unemployment rate,
15 which is really the difference between that
16 original red and green line, we see that it

17 doesn't look so bad when compared to the nation,
18 you know. Significantly less unemployment rate,
19 where the nation was nearly 10%, and we're still
20 lower. That's really a nice thing.

21 On the other hand, I also like to use
22 Bureau of Economic Analysis data in counting
23 employment statistics, and this is a count of
24 jobs. If you work one job, you're are counted
25 once here. If you work two jobs, well, you're

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1 counted twice,, and three, three times, and so
2 on.

3 Over time we've seen some strong
4 growth. Other times, a little bit lackluster.

5 Right around, you know, the 1980s
6 through '88 or '90, practically no growth. But
7 this last time, we lost jobs, a fairly
8 significant amount, you know, around 21,000
9 jobs.

10 Now, we've returned most of them. We
11 are a couple thousand shy of that. So we're
12 returning our growth, but it was a significant
13 difference in number of jobs.

14 The other reason I like BEA data is

15 because it has attached to it income, you know,
16 income you've earned at a job, as well unearned
17 income sources, such as property income,
18 dividends, interest, rent, and so on.

19 I'd like to take a look at those
20 things. The income data is derived from
21 administrative records, a fancy way to say IRS.
22 And we also had employment count of, you know,
23 agricultural workers and sole proprietors and
24 people who are not reported in the Bureau of
25 Labor statistics, so we get a complete count of

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1 earnings and employment.

2 And I'll just say the earnings divided
3 by the employment here, and compare us to the
4 national average, and it's kind of like a
5 "wow",, I mean, we're significantly different.

6 We got close in '73, you know, like a
7 difference of 1700 bucks, a little bit less.
8 But, oh, my, really haven't done so well. We're
9 recovering.

10 I mean at one point, it was about the
11 early 2000s, that decade, we were like \$17,000
12 less per job than the national average. We have

13 closed it a little bit.

14 But if you just take these numbers that
15 are on the far right, you know, the 54,000 or
16 the 41,000, just divided by 2000, that's roughly
17 the dollar rate in which you want to have your
18 jobs.

19 Okay, we are looking at 20 bucks an
20 hour for these jobs versus the nation, you know,
21 like 27. So if you're an economic development
22 person, you want to at least make it 27, try to
23 get up to the average. Just kind of planning
24 there.

25 So we have some work ahead of us to get

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1 the entire state's average to move forward. I
2 know there are some good-paying jobs out here
3 now in the eastern part of the state.

4 If we add the rest of the forms of
5 income unearned or transfer of payments, and so
6 on, divided by population, we get per capita
7 income, it looks a little bit better.

8 I mean, in the early Seventies, we were
9 really close, only 1,000 less, and we're a lot
10 less around 2000, but we have closed it some in

11 the last few years. So that's really great, you
12 know. Today we're like 4600 bucks instead of
13 maybe 8500 less we saw in 2001.

14 So we have some challenges, and have
15 had some challenges, regarding what we get
16 paid.

17 You know, our population is growing.
18 People in poverty are also growing. You know,
19 fortunately the poverty rate hasn't changed as
20 much as it has elsewhere, from 14.6 to 14.8%.
21 That's not significantly different in percentage
22 terms. It's still quite a number of people in
23 poverty.

24 Remember, part of our task in front of
25 us with the Consolidated Plan is how are we

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1 going to serve those households who are lower
2 income? You know, whether that's through
3 infrastructure development, you know, water and
4 sewer, economic development, as well as
5 housing.

6 When we look at where this poverty is
7 concentrated, again using the same themes from
8 the color schemes I mentioned earlier, we do see

9 areas of concentrated poverty. Some are near
10 areas that have Native American trust lands, but
11 many other areas in the state also have some
12 poverty.

13 Now, I want to say something about the
14 2012 American Community Survey, which is what
15 this data is. The Census Bureau has an annual
16 survey. It's usually for communities of 60,000
17 or more, and it's not really by census tract.

18 Well, they have a three-year rolling
19 average to get it down to communities of 20,000
20 or more, and then they have a five-year rolling
21 average, and that's what this data is.

22 So, eastern Montana, this is a
23 five-year rolling average, and some of it is
24 from earlier years. So, as we proceed through
25 the future, some of this stuff will change.

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1 You know, in light of our expanding
2 population and some of our difficulties in our
3 economy, particularly our earnings, how has this
4 affected housing production?

5 Here is just some census data, 2000 and
6 the 2010 information. We see, you know, the

7 population went up 9.7%. Here, housing units
8 went up 17%.

9 But households, when we're looking at
10 sizes of households, those went up 14%. So
11 housing production went up faster than the
12 number of households were formed.

13 We see this a little bit. Owner
14 occupied dropped a little bit. Home ownership
15 slipped over the decade. Renter-occupied homes
16 went up.

17 I'm a little bit more concerned about
18 vacant housing units, which jumped 35% over the
19 period, you know, going from 54,000 to roughly
20 73,000. So what happened with that? You know,
21 we had more production than we needed if you
22 just say one-to-one household formation and
23 housing production.

24 But those that were for rent -- excuse
25 me, vacant, they had certain types of things.

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1 For rent went up. So, there were more rental
2 units available.

3 For sale also went up. It went up 7%.

4 So other vacant units went up by 30%, 33%, to be

5 precise.

6 Yes?

7 MS. RUDE: I'm sorry.

8 Maureen Rude, for the record.

9 So, Rob, a lot of these numbers are
10 from the 2010 census, when things were kind of
11 at their worst, so how do you adjust when you do
12 all of this analysis for the fact that things
13 are rapidly increasing now, and the market is
14 really picking up.

15 You know, I look at a lot of these
16 numbers, and I look at 2010 being, you know,
17 that was kind of the worst of the worst in our
18 economy.

19 MR. GAUDIN: So your question is, how
20 do I measure current success?

21 MS. RUDE: How do you measure against
22 the 2000 census -- 2010, given that that was
23 taken at kind of the worst time?

24 MR. GAUDIN: Four years ago, right.

25 MS. RUDE: Right.

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1 MR. GAUDIN: We do have building permit
2 data. I realize not every jurisdiction of the

3 state issues permits, but it's a proxy.

4 And we also had -- which is to be
5 presented in a few minutes.

6 And we also have information from the
7 surveys on how things are going, the cost of
8 building. So there are other indicators, also.

9 I mean, none of these things should be
10 the one piece of item that you make a decision
11 on. You know, your decisions need to be based
12 on a variety of factors. All of them, including
13 the Census Bureau, has some error embedded into
14 it.

15 Permit data is, you know, for
16 jurisdictions that don't have permit process.
17 You know, each of these factors should have a
18 role in decision-making, but it shouldn't be the
19 sole factor.

20 I am, though, concerned about "other
21 vacant" that it went up 33%. Other vacant
22 represents housing units that are not for sale,
23 not for rent. They're simply not available on
24 the marketplace.

25 Some of those are those homes which

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1 fell into foreclosure, which are vacant and have
2 yet to have been resold or are not occupied, and
3 so on.

4 So, it's not only just pioneer housing
5 that is dilapidated that nobody will choose to
6 live in, but it's is still standing and was
7 counted by the Census Bureau. So, we have two
8 types of issues within that category.

9 MS. RICE: Sheela Rice.

10 Would that also include vacation homes
11 that weren't occupied at the time of the
12 census?

13 MR. GAUDIN: There is a special
14 category for that called "seasonal, recreational
15 or occasional use", yes.

16 THE AUDIENCE: Can you repeat the
17 question? Sorry.

18 MR. GAUDIN: Oh, yes.

19 JENNIFER OLSON: So, the question was
20 whether or not this included vacation homes that
21 were unoccupied at the time of the census.

22 MR. GAUDIN: And the answer is yes, it
23 does. That group is large for the state of
24 Montana.

25 MR. O'NEIL: Rob, just so -- Michael

1 O'Neil for the record.

2 Just a question about the big uptick in
3 seasonal, recreational and occasional use. Big
4 jump there.

5 Is there any way of tracking that to
6 income? Which seem to suggest income, a certain
7 income inequality, the ability to -- can you
8 track any of this data between housing units and
9 income?

10 MR. GAUDIN: Because it is the census,
11 that each data element is not directly linked to
12 another, so I'm not able to look at income
13 directly related to that.

14 But I am concerned about the growth in
15 "other vacant", particularly if we have
16 communities that are not growing, and others
17 that are growing more quickly, then for those
18 communities that are not growing will be likely
19 to have continued increases in their "other
20 vacant".

21 Clearly, though, what people want, and
22 the share of that market is people want
23 single-family homes, even if they're rented.
24 You know, it's gone from 69 to 72%.

25 Sure, the totals -- I need to offer a

1 technical note about the census data versus the
2 American Community Survey data.

3 The American Community Survey data,
4 it's not precisely correct to measure the number
5 of units, but rather the distribution from the
6 census to the ACS.

7 So you can talk about the increase. It
8 went from the 69% to 72%, but it would be less
9 precise to say that the number of units in the
10 2000 census. That's a long form
11 1 and 6. It was also a sample. So you're
12 comparing two samples that were not collected
13 exactly the same way. Just a technical there.

14 But here are Maureen's permits.

15 Granted, again, this is not electrical
16 authorities or building permits. Electrical
17 permits would be a more complete measurement,
18 but I don't have those today.

19 But we do see since 2010 or 2009, there
20 has been an uptick in building, you know. So we
21 collapsed significantly from 2004 or '5, but not
22 as significantly as other jurisdictions
23 throughout the country.

24 I mean, I have seen some turnaround,
25 but this particular turnaround is good. And,

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1 the consistent level of rentals that are being
2 built is really interesting, especially if we
3 return to a prior level, you know, roughly 500
4 or 600 permitted apartments.

5 The challenge for us, however, this is
6 single-family permits versus the value of
7 construction. The challenge we have is that
8 even with massive declines in permitting, or the
9 level of production, we had next to no real
10 changes in prices, you know. I mean, now they
11 are exceeding 200,000. It's a substantial
12 number.

13 Just the value of construction -- now
14 we're talking about the nails and the boards and
15 the labor and the concrete. We're not talking
16 about the lot or the infrastructure that goes
17 into building the lot. So, that's on top of
18 this. So, just to get affordable housing is a
19 tremendous challenge.

20 And, again, just taking some older
21 census data, sometimes we're in a comparative

22 ACS, given all the problems it has. We see, you
23 know, rental rates going up maybe 25%, but we
24 see housing going up nearly 100%.

25 On top of that, we do have challenges

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1 when we look at cost burdens. I'm assuming you
2 all know what cost burden represents. That's 30
3 to 50% of your income spent on housing. Severe
4 cost burden is more than half of your income
5 spent on housing, you know.

6 The difference between 2000 and 2012
7 are significant increases in the cost burdens
8 for every one. And severe cost burdens, I mean,
9 more than 40% of all renters have a cost burden,
10 even the rental rates, median rates only allow
11 up 25%. Homeowners face significant burdens as
12 well.

13 One of the things we need to identify
14 for the Consolidated Plan is something called
15 "unmet housing need" or those households which
16 are facing housing problems.

17 Housing problems can be overcrowding,
18 or severe overcrowding, or lack of kitchen
19 facilities, or a full set of plumbing

20 facilities.
21 General speaking, all those other
22 concerns actually have ebbed over the decade.,
23 And the one thing that has contributed to a
24 significantly larger set of "unmet housing
25 needs" are costs, housing costs. Cost burdens.

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1 So, those are the real key housing
2 problems we're facing.

3 I want to switch a little bit just for
4 one slide to something about homeless
5 populations.

6 Now, I got this data from the Montana
7 Homeless Count online. It's continuum of care
8 information. And the far right column, the
9 count of respondents and family does not, total
10 the count of respondents from the other. Don't
11 ask me why. They're two tables. But, what we
12 see is significant increases in these counts.

13 Now, in 2012 when the Hearth Act came
14 into effect, there was a change in the way
15 homeless were counted, that it included "at
16 risk" populations.

17 And I don't know how to take the "at

18 risk" out of here to keep a consistent count, so
19 we kind of have a different methodology at work.

20 Please correct me if I'm mistaken on
21 this anybody, who is --

22 Yes?

23 MR. BUZZAS: Bob Buzzas, Montana
24 Continuum of Care.

25 Well, not to go into it too much, but a

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1 couple of things very quickly.

2 One, these numbers include "at risk".

3 You can focus just on HUD defined homeless on
4 the website, and then --

5 MR. GAUDIN: Yeah, I'm not sure where
6 you get the two different columns from, but
7 respondents represent households, either single,
8 individual households, or family households.

9 MR. BUZZAS: These are homeless, but
10 they are a collection of people who are
11 together; is that correct? So, it's --

12 MR. GAUDIN: Yeah, a family --

13 MR. BUZZAS: A one house household, if
14 you will.

15 MR. BUZZAS: Yeah, a "family" is

16 defined as an adult and a child.

17 And so adult households of two adults
18 are counted as individuals.

19 But the important thing is, you're
20 looking at respondents here as opposed to
21 households, and that number is quite a bit
22 inflated over the actual HUD defined homes.

23 MR. GAUDIN: Yeah, that would be my
24 conclusion, too.

25 So how do I find the count -- I mean,

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1 if I understand this correctly, you just stated
2 that the "at risk" are included in the last few
3 years to the count of homelessness, but prior to
4 that, they were not included; is that correct?

5 MR. BUZZAS: No, we've always kept
6 those separate.

7 It's simply a matter of on the website,
8 you have to click an option that says -- I think
9 it says "HUD defined homes".

10 MR. GAUDIN: Well, I didn't find that
11 there.

12 But if I could talk to you afterward, I
13 would like to find that out. So, thank you very

14 much.

15 The last piece of information drawn
16 from the survey, one of the first questions --
17 is there a question?

18 MR. O'NEIL: Rob, I wouldn't want to
19 miss an over-technical question which can be
20 fixed.

21 The fact is in terms of counts over
22 time in the homeless population, one emerging
23 trend in Montana that I think is important for
24 folks to understand is the number of people who
25 are homeless living in families is a greater

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1 increasing number of the homeless in Montana.
2 And I think that has major policy implication.

3 MR. GAUDIN: Thank you.

4 MR. O'NEIL: Michael O'Neil, for the
5 record.

6 MR. GAUDIN: Thank you, Mike.

7 The last thing I want to talk about a
8 little bit is just some preliminary findings
9 from our Housing and Community Development
10 survey. One of first questions is just, well,
11 gosh, how many folks have benefitted from our

12 programs?

13 Respondents, not quite 56%, say "yes".

14 Some "don't know", two missing.

15 I like that, because of 192, only two

16 missed that question. That was the first

17 question. More skipped other questions as we

18 proceeded through the survey.

19 But I do want to just give you some

20 notion about what people feel. And your choice

21 this morning is to say, "I don't like that", and

22 tell me about it, or "It should be different",

23 and tell me about it, or "I think it's right on

24 the money", and tell me why you think so.

25 So, what I have done with the first

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1 couple of slides here is just rated the selected

2 housing activities that people could rate.

3 You know, we used the HUD's rating

4 scale. "No need", means we're definitely not

5 going to do anything about that.

6 And "low need" means, well, if we can

7 get some money, but probably not. But could

8 be. We might do something about that.

9 "Medium need" is we really wish we

10 could.

11 "High need" means we will.

12 So, the 192 people who participated --
13 some people skipped these questions, that's the
14 missing -- but everybody else give it a ranking.

15 Now, I sorted these by the frequency of
16 "high need" just to get a sense of how our
17 people are feeling about certain activities.

18 The first top three are "rental",
19 "rental", "rental", right? Is this what is
20 really needed most right now, even though we saw
21 from the 2000 census -- 2012 ACS, that the
22 increase was for single-family housing. Maybe
23 they are renting single-family houses.

24 "Construction of new for sale" is
25 further on down the list.

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1 And as we go down, "energy efficiency",
2 "retrofits", "rental assistance". Down here,
3 "retrofitting for seniors". You know, these
4 are all kind of dribbling off, more towards
5 getting towards "medium need".

6 The remainder of the housing
7 activities, "preservation of existing subsidized

8 housing", not very many people are necessarily
9 saying "high need". And this goes, "first time
10 home buyer" is down below halfway down through
11 the center of the pack.

12 You know, "mixed use", "housing
13 demolition", "home ownership in communities of
14 color" at the bottom.

15 Now, this is an opportunity for you to
16 talk about these preliminarily, just kind of
17 point in time snapshot for the survey.

18 Oh, there was a comment right there.

19 Oh, you're just scratching your head.

20 Sorry. I thought I was going to get --

21 Yes ma'am.

22 MS. DEMARTINE: My name is Sophie
23 Demartine. I have a question.

24 Who was the survey sent out to?

25 MR. GAUDIN: I believe that the survey

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1 was sent out to the Consolidated Plan
2 stakeholder list and others -- others who are
3 listed within the Department of Commerce
4 websites and interested parties.

5 MR. OLSON: Jennifer Olson, for the

6 record.

7 We have a -- at the Department of
8 Commerce, a list, a compilation of the
9 Consolidated Plan stakeholders, which includes
10 all of the contacts for our cities, towns,
11 counties, HRDCs, any nonprofit organizations
12 that have been previously involved with the
13 Consolidated Plan, engineers, architects, any
14 grant administrators, any previously funded
15 entities, that may be -- you know, were somewhat
16 indirectly involved. Any CHDOs.

17 It's a large number of people. I think
18 the list is around 1500 individuals.

19 But if you are interested in being part
20 of the list, the surveys are over there, but we
21 can always add you to the list by emailing any
22 one of us at doccdd@mt.gov.

23 MS. DEMARTINE: I was a respondent
24 already.

25 MS. OLSON: Thank you for your

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1 response.

2 MR. GAUDIN: Certainly while we're
3 fielding the next question, I want to emphasize

4 that the survey is open to anyone. And if you
5 get a copy of the link for it, please forward it
6 to your friends and family. "Framily", I guess
7 it's called.

8 Yes, sir?

9 MR. REED: John Reed, J.R.A.

10 I don't know if it's okay to go back a
11 few slides. I mean, not that you need to.

12 MR. GAUDIN: No, we may not do that. I
13 don't know how to do that.

14 MR. REED: You mentioned the growth of
15 the active adult population in Montana.

16 Do you have any -- you made a copy of
17 this, I don't think I heard, but do you have any
18 information that talks to the disproportionate
19 growth, if you will, of active adults in
20 different regions?

21 For instance, of course, in sheer
22 numbers you're going to have more senior numbers
23 in Billings than you will in a small town.

24 But in terms of disproportionate
25 growth, if you will, of the senior communities,

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1 do you have any information as far as kind of

2 hot spots we might want to be looking in?

3 MR. GAUDIN: You know, that may be one
4 thing that we have thus far overlooked. We have
5 been taking a statewide view, and it's an
6 awfully large state, you know, just too many
7 differences.

8 So that's something we might want to
9 talk about internally some more, but I
10 appreciate your comment.

11 MR. REED: Oh. Well, thank you.

12 MR. GAUDIN: We also asked a series of
13 questions about linking certain activities and
14 desires with housing production just to get a
15 sense about how people feel, you know, whether
16 we have certain things, like adequate water and
17 sewer, whether we want to do certain things,
18 like retain existing affordable units, kind of
19 linking actions with housing.

20 And the next three slides take those --
21 all those concerns and blend it into one set of
22 tables.

23 Again, ranking them in terms of the
24 highest frequency, the largest frequency of
25 "high need", what we see here are people

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1 wishing to have "enhanced water and sewer
2 infrastructure to accommodate the new housing
3 units". "Land use regulations", you know, that
4 support affordable housing production.

5 But remember, this is -- the sentiment
6 is a little bit lower here. The number of "high
7 needs" are not as quite as high as what we saw
8 for, you know, rental housing.

9 "Comprehensive planning", "various
10 types of funding", tax "or other financial
11 incentives". Again, the sentiment begins to
12 drop off a little bit here.

13 We have "development standards", "more
14 housing choice vouchers", local land use
15 regulations, how we go about, you know, changing
16 those things. Are they important to
17 production?

18 The sentiment is just slipping a little
19 bit here.

20 "Neighborhood or community support for
21 housing", "density", higher housing density.
22 Again, that -- the need for that is kind of
23 beginning to look more like "medium need", not
24 "high need".

25 The last set, more "resources for

1 environmental remediation", "guidelines for
2 production information", "more information about
3 marketing", about housing availability. The
4 sentiments really drop -- fall off for those
5 things. So, the most frequent, remember, was
6 the water and sewer.

7 Because this is also Community
8 Development, I have a series of slides about
9 some of those responses.

10 The first one relates to "economic
11 development". People feel we need to "retain
12 our existing businesses", "foster businesses
13 with higher paying jobs". Well, we definitely
14 already know that's true.

15 "Address some regional transportation
16 needs" is the third most frequently voted "high
17 need".

18 But notice the difference, 72, 72, 59
19 sentiment. That's kind of a break point right
20 there. And we have a lot of the higher 58s for
21 some of these other activities.

22 "Attracting new business", "enhancing
23 access to technology". And so on.

24 "Expanding existing businesses". I'm

25 surprised that's a little bit further down the

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1 list.

2 "Help entrepreneurs get started".

3 The rest of this, again, we're dropping

4 off in positive sentiment, moving more towards

5 "medium needs", you know, "strengthening

6 support systems for economic development",

7 "cleaning up abandoned or polluted sites", and

8 so on.

9 "Provisions of venture capital",

10 really kind of dribbling down off the list.

11 "Establishing strength in trade

12 relationships". "Market 'Made in Montana'

13 products", also kind of far down the list

14 according to the current level respondents.

15 Now, if that changes, you know, these

16 results would also change. So I certainly

17 encourage all of you, if you haven't already

18 participated, think of your neighbors, maybe

19 your fellow parishioners. Reach out to others

20 who might be interested in participating in the

21 survey.

22 There certainly is no limit to the

23 number. You know, the more the merrier at this
24 party, as far as I am concerned.
25 So, it's amazing what digital things

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1 can help you with, and this is one. So if we
2 get to 1000 or 2000, that would be like totally
3 wonderful.
4 Well, 3000 right here. Do I hear
5 4000?
6 "Infrastructure needs", you know,
7 these things in general, and proceeding through
8 them, and we're getting weakening sentiment in
9 the "high need" category.
10 Even though they are still very
11 important, "streets and road improvements",
12 "water systems", "sewer systems", those are
13 high, but it suddenly drops off.
14 Those top three, then we are down here,
15 "sidewalk", "water quality", "storm sewer", so
16 on. Again, sentiment is dropping off rather
17 quickly.
18 So if we just take the top two or three
19 of each of these categories, we're getting a
20 sense of what our priorities might be if we used

21 this as our only decision tool. You know,
22 "rental housing" and a couple of things in
23 "economic development", a couple things here in
24 "infrastructure".
25 "Human and public services", you know,

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1 "high needs". "Mental health and chemical
2 dependency services", a little bit more high.
3 "Senior services", drops off quite a
4 bit. "Transportation services", "healthcare",
5 and so on.

6 Now, on both -- is there a question?

7 On both surveys, we actually asked
8 folks to identify whether they have an
9 entitlement through a remainder estate. So,
10 right now, these are all state results.

11 Yes, ma'am?

12 MS. COYLE: My name is Erica Coyle, for
13 the record. I'm with Haven.

14 And one thing I don't see on there is
15 anything with domestic violence services. So,
16 65% of homeless women have experienced domestic
17 violence, so is that something that we're
18 looking at?

19 MR. GAUDIN: That's -- I think it might

20 be in the very next slide.

21 MS. COYLE: Sorry, I was ahead of that.

22 MR. GAUDIN: That's all right.

23 It might be two slides away, so...

24 It is two slides away. But we do

25 address that.

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1 The following "human and public
2 services" issues, I think that's in the "special
3 populations" slide.

4 We do see continuing decline in kind of
5 the sentiment. I want to point out here Fair
6 Housing activities, which is a requirement with
7 newly Fair Housing, "Study the Analysis of Fair
8 Housing".

9 Here the sentiment is not real strong
10 for that, but we will find in doing that study,
11 those are one of the things -- yes, ma'am?

12 MS. PATERA: Shyla Patera, for the
13 record. That's spelled S-H-Y-L-A; P-A-T-E-R-A.
14 And I'm with North Central Independent Living.

15 I actually answered the survey when I
16 first got it.

17 I think one of the things that if the
18 survey can be improved, because a lot of it kind
19 of looks like if you're in a town with a lot of
20 the services or amenities, some of them don't
21 seem like they drop off, you know. They seem
22 like they might be in the high 50s or
23 something.

24 Because I use public transportation a
25 lot. That's my life line, besides housing. And

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1 it's just seems if people don't use those
2 services, they might not be aware that there are
3 needs.

4 And I am not shocked that there was
5 such a drop-off, because we are talking about
6 housing and economic development.

7 But if you don't have those services --
8 for some of us, myself included, I couldn't have
9 a job without transportation, and I definitely
10 wouldn't have a house if I didn't have a job.

11 So, I hope that this isn't -- this is
12 just a snapshot, I hope, and I hope it isn't the
13 only driver of community services for folks,
14 because there's huge needs.

15 MR. GAUDIN: Thank you very much.

16 Yes?

17 MR. O'NEIL: I would just follow up

18 Shyla's comments as well.

19 Michael O'Neil.

20 This type of survey is a nice addition

21 to the Consolidated Plan process, and I think

22 it's important to take it with a grain of salt.

23 But that gets at somewhat the

24 population being surveyed in terms of, you know,

25 say, services for people with disabilities or

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1 housing for people with disabilities or ADA type

2 of things may not be as high a priority for

3 those who don't have -- see that as an immediate

4 need in their lives, and so that would get at

5 your population sample.

6 The same issues would occur at other

7 minority, quasi-minority issues that would get

8 to be an issue of your population sample in

9 terms of -- I think you're saying not to take

10 this as the overall, arching decision-maker, but

11 I think that's an important point and take it

12 with a grain of sand as to what your actual

13 needs are.
14 Fair Housing, people who are
15 discriminated against may feel that's a very
16 high need. The housing industry certainly takes
17 it as a priority. But, you know, a landlord
18 population views those issues quite differently
19 than those who may be subject to the
20 termination.

21 MR. GAUDIN: Thank you.

22 Yes, ma'am?

23 MS. SCHOLL: Thank you.

24 Elizabeth Scholl, Equilibrium.

25 Our firm provides a range of market and

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1 opinion research.

2 I guess we all agree that data drives
3 strategy. And does this survey format model
4 actually reflect the opinions of the
5 community-at-large, or is this scientifically
6 defensible, but currently only drives those who
7 respond and not those at large?

8 So to the extent that we appreciate,
9 and I appreciate this data, we do have to take
10 it within the context that these are respondents

11 in certain populations of our community that
12 have opinions about how this goes, and not
13 necessarily the response of the
14 community-at-large from a science perspective.

15 And, so I guess I would challenge us to
16 think about -- and I don't know enough about the
17 world in which we are driven by this
18 Consolidated Plan, but I think I would challenge
19 us to move beyond that and do some real opinion
20 research that has really good returns and
21 respondents. That really drives a quantitative
22 and takes that qualitative approach into a
23 quantitative defensible response around the
24 priorities and the interest of Montanans.

25 Thank you.

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1 MR. PERSICO: Ed Persico,
2 P-E-R-S-I-C-O.

3 One thing I was going to ask, have you
4 submitted this survey to public libraries?

5 In my town, a lot of people cannot
6 afford Internet service, so they don't have an
7 opportunity at all to even know that this
8 exists.

9 So I would encourage you to actually
10 reach deeper into the community and understand
11 that not every one has Internet access that's
12 available at their fingertips.

13 MR. GAUDIN: Thank you.

14 Michael, I agree with your point. This
15 is not intended to be, you know, the tyranny of
16 the majority makes the decision, but it's also
17 to teach all of us, you know, it's distributed
18 to stakeholders.

19 It's a subjective sample, but it helps
20 us to understand the perspectives that our
21 stakeholders have, those people who are most
22 active in the housing and community development
23 industry.

24 To the extent we can use it as an
25 educational tool to help our stakeholders better

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1 understand kind of the implications and certain
2 decisions, that's fundamentally what we want to
3 do.

4 The very first time we did this, I
5 think it was in like 1993, something like that,
6 we drew a sample from the Montana Department of

7 Motor Vehicles and sent a mail survey out. I
8 would love to do that every time, but it is a
9 little more costly than this approach.

10 So the trade-off, of course, is that,
11 you know, how much do you want to spend for this
12 piece of the review of the data, the qualitative
13 data -- that's what this is -- versus
14 quantitative?

15 And so part of the process is the
16 public info process, and that's why you're
17 here. And to the extent we can advertise in
18 public libraries and get people to come to
19 public meetings held at public libraries, you
20 know, I've seen it all. You know, these are all
21 very difficult challenges, each one of those.

22 So, we try to use a variety of methods,
23 you know, whether it's this kind of a
24 stakeholder survey, or whether it's, you know,
25 public involvement meetings or, you know,

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1 outreach and public announcements and various
2 things. Hopefully we can get a broad enough
3 perspective through all of these.

4 So, that's our intent. And do it as

5 cost effectively as we can because you're taking
6 money away from what you intend to do to give it
7 to me.

8 So, come on, we want to minimize that,
9 don't we, I mean, ultimately?

10 Anyway, so that's my defense policy
11 there.

12 Special needs here, for "housing with
13 services". "Persons with mental illness" kind
14 of at the top. "Veterans", "frail", "elderly",
15 "homeless". "Victims of domestic violence"
16 down a little bit. But what we're seeing here
17 is more and more people skipping these
18 questions.

19 Earlier, we were in the 60s. Now we
20 are up to like 80 deciding to skip that answer.
21 Remember, the very first one, we only had two.
22 I think it was probably my responses there, and
23 there were no other data in it.

24 But we do see some -- less people
25 voting "high need" on some of those lower ones,

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1 "folks recently released from prison" and so
2 on.

3 The special needs populations for just
4 housing, "permitted supported housing". Again,
5 the "high need". The sentiment is lower.

6 "Rapid rehousing", "rental assistance", the
7 sentiment is lower.

8 "Emergency shelters", you know, again
9 the sentiment is falling just a little bit for
10 each of those things.

11 "Community and public facility"
12 issues. Again, what we have is to begin just
13 the top of the list. You know, we're starting
14 off kind of lukewarm sentiment. "Child care
15 facilities" at 45. "Health care use", dribbling
16 down into the 30s.

17 So, really what we see are a couple of
18 two or three general categories coming out kind
19 of on top, which is some of the housing,
20 particularly rental housing, and some of the
21 issues related to economic development.

22 One of the concluding questions related
23 to how we wish to use resources relates to a
24 question of just unconstrained. We asked
25 people, "How do you think we use our money?"

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1 What we see here is the response to that.

2 Now, at the bottom of the slide, we
3 also see the link, the letters and the actual
4 link for the survey, but we do see housing
5 coming out on top, you know, a large portion of
6 our resources within the Consolidated Plan.

7 You know, Development, Community Block
8 Grant largely is going to be able to address
9 some of the other categories, "economic
10 development", "infrastructure", and so on.

11 But this is just how people are
12 talking. They don't know exactly how we can use
13 and what the size of our budget is. They're
14 probably not thinking those things when they
15 take the survey, but we do have some idea about
16 what people are talking about.

17 Even "human services", 15.6%, is
18 actually above CDBG's limit, so it's -- you
19 know, we can't really do that. And it's at
20 certainly 15% of the whole budget that we have.

21 But it gives us an idea of how people
22 feel in this, and that's how we take that when
23 we look at kind of how we can use our resources.

24 Just this concluding slide here. Just
25 to kind of appeal one last time to each of you

1 about how you feel, you know, what do you think
2 -- you can speak about it just for Miles City;
3 you can talk about any region of the state you
4 wish. You know, what do you think? You know,
5 what should we do first? What do you think we
6 are lacking with this? You know, how might we
7 go about capturing something else for this
8 plan?

9 This is really your opportunity -- I'm
10 running over already. So your opportunity has
11 only got a couple of minutes left, so...

12 Yes, ma'am?

13 MS. RICE: Sheela Rice with Neighbor
14 Works.

15 I just want to put in my concern about
16 manufactured housing, and it's single-family,
17 it's rental, it's ownership, it's all of that.
18 We just want to be sure that the plan in no way
19 discriminates against people who live in
20 manufactured housing.

21 It's the largest affordable housing
22 that's unsubsidized in Montana, as well as the
23 nation.

24 So, nothing specific, except when we do
25 the entire overlay, we should say, "Have we

1 harmed or helped manufacturing housing as an
2 affordable source?"

3 MR. GAUDIN: Thank you.

4 MS. COPE: Nancy Hart, I believe on the
5 call has -- Nancy, go ahead.

6 AUDIENCE: Tell Nancy to go ahead.

7 MALE AUDIENCE: When you tell Nancy to
8 go ahead, she can't hear you on the phone.

9 MR. GAUDIN: Nancy --

10 MS. COPE: Hit *2, and then ask your
11 question.

12 MR. GAUDIN: Yes, hit *2 and then ask
13 your question.

14 Perhaps you can type your question, and
15 then we'll read it.

16 Go ahead.

17 We still can't hear you. Let me
18 rephrase that, I can't hear you.

19 MS. COPE: Ask her to hit *2 again.

20 MR. GAUDIN: Try *2 again. If that
21 doesn't work, would you be able to type the
22 question in, and then Penny Cope can read it to
23 us.

24 MS. COPE: Go ahead, Shyla, and I'll be

25 ready in a minute.

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1 MS. PATERA: Okay.

2 My question is, following the
3 presentation, will we have a period of time for
4 other comments or different things unrelated to
5 the presentation?

6 Even though everything is related, but
7 there's just some housing and community
8 development needs that I kind of have concerns
9 on.

10 MR. GAUDIN: I will avail myself to
11 anyone who has further questions after this
12 meeting.

13 MR. BRUMFIELD: Shyla, are you wanting
14 to make a follow-up comment for the record?

15 MS. PATERA: Yeah.

16 MR. BRUMFIELD: Go ahead. Knock
17 yourself out.

18 MS. PATERA: So, spelling my name again
19 is S-H-Y-L-A; P-A-T-E-R-A.

20 And for the record, I, in independent
21 living, definitely want to see in the housing

22 arena visibility and universal design
23 incorporated in as much of the AQAPS as possible
24 for community development.
25 We need accessible pathways and

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1 accessible community businesses that are going
2 to hire people with disabilities, so that was my
3 main comment.

4 But particularly in the housing arena,
5 we see a lot -- I see a lot of rental assistance
6 needs. So I was probably part of that top
7 three, because that's the community I work with
8 a lot, is people needing rentals.

9 I'm excited when people become home
10 buyers because that means they have a stable --
11 they found a stable source, but sometimes
12 accessible housing stock isn't always
13 available. It's hard to find.

14 I can speak from my personal
15 experience. Even though Neighbor Work helped
16 me, Accessible Space, Incorporated out of
17 Minnesota, which was where I was living as an
18 apartment dweller, said, okay, you don't make
19 enough -- you make beyond HUD guidelines to live

20 here, because we incorporate this building as a
21 202 and a senior and disabled building, so with
22 your raise, you don't qualify to live here
23 anymore.

24 And it was great to be saving for a
25 home and be part of that process, but I just

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1 wanted the options, accessibility options in
2 shelter, emergency shelters, homeless shelters,
3 anything. Manufactured housing, having stock,
4 anything. And community pathways are really
5 big, because that's connects to transportation.

6 So, thank you very much.

7 MR. GAUDIN: Joe?

8 MR. BURST: Joe Burst, living in the
9 Family for Today and Tomorrow. I just want to
10 piggyback on Shyla's comment about disability.

11 For those that aren't familiar with the
12 term, "visitability" standards, or minimum
13 standards we would like to encourage developers,
14 anybody building for housing, for ownership and
15 rental, and that's basically looking at three
16 standards - that we encourage every house to
17 have at least one zero-step entrance; that the

18 doorways are at least 36 inches, and that
19 there's an accessible bathroom, basically
20 meaning that a wheelchair can get into those
21 homes.

22 Not only does it help the person with
23 the disability in their home, it allows them to
24 go to other homes - friends, family -- to be
25 able to visit those homes.

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1 We feel it's even more important as we
2 really look at people that are aging and want to
3 age in place. This allows a person that gets
4 elderly. And with growing older, disabilities
5 really come into play.

6 And so these visitability standards
7 actually allow a person to grow older in their
8 home and not so much have to worry about, now
9 I've got steps to deal with, and now I've got to
10 go into assisted living, or some other type of
11 option - sell their house.

12 So we really encourage that. Missoula
13 has just passed, not an ordinance, but an
14 acceptance of that policy.

15 What we would like to see is working

16 possibly with some tax credits, different
17 incentives that would allow and encourage
18 builders to look at those visitability
19 standards.

20 MR. GAUDIN: Thank you.

21 MS. McMILAN: Heather McMilan,
22 M-C-M-I-L-A-N. Homeward.

23 I just wanted to testify on the
24 importance to talk at this conference a lot
25 about preservation, a need in Montana of

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1 affordable housing, and that's with preserving
2 rental systems, but also deed-restricted
3 properties that we look to lose over the next
4 however many years.

5 That needs to be a priority, an equal
6 priority as new construction as well in the
7 areas of need around the state where we are
8 looking to touch, whether it's a preservation
9 rehab or new construction, that we focus on
10 sustainability, energy efficiency, accessibility
11 and visitability, as the last two speakers spoke
12 to.

13 Thank you.

14 NANCY HART THROUGH MS. COPE: Now, I'm
15 going to read a comment that is typed into our
16 Webinar by Nancy Hart in Missoula.

17 She says:

18 "First, I assume this CP
19 does not cover entitlement
20 communities specifically,
21 but obviously provide a lot
22 of the data as well as
23 drive the needs and
24 activities in many areas.

25 What is the plan for

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1 incorporating or not
2 entitlement communities,
3 their data and their needs
4 into the process?"

5 MR. GAUDIN: You know, I'd like to
6 defer to Bruce on that one.

7 MS. COPE: I believe Nancy will have a
8 second --

9 MS. OLSON: Thank you for your comment,
10 Nancy. This is Jennifer Olson for the record.
11 I'll call you later.

12 MS. COPE: And I believe Nancy is
13 typing in a second comment. When it comes up,
14 I'll raise my hand over here.

15 MS. OLSON: So, I got the hot potato.

16 The answer to the question is no. It
17 does not include entitlement communities, so the
18 responsibility of the HUD-funded programs that
19 are administered by the state are to look for
20 the service population that we provide funding
21 for.

22 So, it is not inclusive of those
23 specific areas, but it is inclusive of the
24 counties that those entitlement jurisdictions
25 are residing in.

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1 So, we will be including data from
2 Cascade, Yellowstone and Missoula Counties, but
3 not the specific entitlement communities.

4 And definitely, we can continue the
5 conversation as Nancy types it.

6 MR. GAUDIN: Yes.

7 MR. O'NEIL: Michael O'Neil with
8 Aware. I would like to just comment and follow
9 up to some of the other comments on

10 accessibility.

11 We do greatly appreciate the efforts of
12 the Consolidated Plan funded programs and low
13 income housing tax credit programs for adopting
14 enhanced accessibility features.

15 And now is the time really to focus out
16 on the broader market, and we think the
17 Consolidated Plan in the state of Montana can
18 take some positive roles in making that happen.

19 One thing we want to stress is that for
20 persons with disabilities, we want to make sure
21 that housing choices of all types are
22 recognized.

23 And from housing, what we call
24 "Homestead housing", which is allowing just
25 opportunities to live in the community as it's a

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1 right to person under the Supreme Court
2 decision, the Homestead decision, to live in a
3 community; for rentals that are affordable, of
4 appropriate quality and accessible, but also
5 home ownership, and that the program support
6 home ownership opportunities.

7 Because in the end, those programs

8 provide an enhanced quality of life, but also
9 ends up being at lower cost to both systems and
10 to individuals, and so we encourage that.

11 One thing that we need to stress, the
12 definition of a distinction between "problem"
13 and "crisis" is when you are experiencing that
14 problem, it becomes a crisis.

15 And we certainly, and rightfully so,
16 heard about the crisis of affordability in the
17 eastern parts of the state.

18 And in general, you recognize in your
19 data that affordable housing crisis has 40% or
20 more of Montana households are facing housing
21 cost burdens.

22 But for persons with permanent
23 disabilities, living on SSI income of roughly
24 \$711 a month, that crisis has been with them
25 since really -- in Montana it's been a growing

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1 and increasing difficult situation since the
2 early Nineties.

3 And today, without rental systems,
4 being able to afford housing in any of our
5 communities is nearly impossible. It ends up

6 being a tremendous burden.

7 With the reduction on the federal
8 level, partially this document is hopefully read
9 by someone in Washington making decisions in
10 prioritizing.

11 We have experienced in Montana nearly a
12 10% reduction in the Housing Choice Voucher on
13 the streets in Montana, and some of that is
14 improving in recent weeks and months as the
15 programs become unfrozen.

16 But a 10% reduction means 600 families
17 who need assistance with their housing, 600
18 fewer families are being served through that
19 resource. When you consider that's the very
20 lowest income folks in the state of Montana,
21 that's a big impact.

22 I would encourage another data set that
23 might drive your attention to the impact on
24 families. I think the homeless data has a
25 little bit of impact on families during the time

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1 you're studying. The federal policy changed the
2 type of resources to families, cut off
3 reductions and some penalties where families may

4 not have any resources.

5 The Office of Public Instruction keeps
6 -- what would be the word? Not vacancy numbers,
7 but they do keep for each school, in the
8 catchment area in every school district, the
9 number of students that turn over in a given
10 school each year. I think that's an excellent
11 indicator of the impact of poverty.

12 I've spent a lot of time focusing on
13 public schools within the last decade, and it's
14 a direct correlation in high poverty. School
15 catchment areas, you'll see upwards 30 or 40% of
16 the students turning over in any given year.

17 And I think you could probably
18 correlate on a county-wide basis some of that
19 information from the Office of Public
20 Instruction as an indicator of impact on
21 families.

22 MR. GAUDIN: Thank you.

23 I think this young lady here had
24 something.

25 MS. COYLE: Hi, Erica Coyle with Haven

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1 again.

2 I just wanted to go on record saying
3 that the domestic violence piece of this needs
4 to be part of the agenda.

5 We did have one little line there, and
6 that was great, but it was addressed by when we
7 look at the statistics from the Center for
8 Disease Control, the World Health Organization,
9 approximately 217,000 Montanans will suffer from
10 domestic violence. 20% of those will need
11 shelter at some point.

12 So, we just need to bring this to the
13 conversation, I think, and I just wanted to go
14 on record saying that.

15 MR. GAUDIN: If you have some
16 statistics, if you could forward those to
17 Jennifer, I'd be happy to make use of those.

18 MS. COYLE: Great. Thank you.

19 MR. GAUDIN: You're welcome.

20 NANCY HART THROUGH MS. COPE: I have a
21 second comment from Nancy Hart in Missoula.

22 She says:

23 "The state has not
24 included public/human
25 services funding up to the

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1 15% max in CDBG. I would
2 be interested in knowing
3 how or whether funding
4 those activities might
5 eventually be considered?"

6 MR. GAUDIN: I don't have an answer for
7 that.

8 MS. OLSON: Jennifer Olson again for
9 the record.

10 So, let me respond in this manner.

11 And I'm so happy that all of you are
12 here and, Nancy, thank you for trying to get in,
13 and everybody else that's on the Webinar,
14 because the purpose of this Consolidated Plan
15 period is to receive feedback so that we can
16 look at that from everybody's perspective.

17 As Rob indicated, we will have more of
18 these types of hearings and meetings to elicit
19 conversation and comments from all facets of
20 involvement that our HUD-funded programs provide
21 funding to support.

22 So, I would respond by saying, thank
23 you for your comment, because I think that helps
24 us plan in regards to other thoughts and
25 considerations of how we use CDBG funds within

1 the guidance of HUD's national objectives.

2 MR. GAUDIN: Yes, sir.

3 MR. MORTON: Jim Morton, for the

4 record.

5 I just wanted to add to the

6 "preservation" comment and express that it's a

7 very complex suggestion when we make comments

8 about preservation, because I realize that we're

9 talking about housing tax credits; we are

10 talking about the HOME program, CDBG,

11 maintaining what we have, at the same time

12 , adding new units.

13 But I think somewhere in the plan, we

14 need to state that state government and its

15 various departments will conduct -- though that

16 leadership will involve stakeholders, residents

17 and communities, I think its important to

18 understand it's complex.

19 And then moving on to home ownership, I

20 want to encourage the continuation of the old

21 programs qualified entity approach, because if

22 we go back to having communities compete and not

23 have it set aside, that takes a lot of resource

24 away from our communities.

25 We do offer home buyer opportunities to

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1 that program now, and we think it's essential.

2 And the other component there would be
3 that as we talk about projects and community
4 preservation or new projects, I would ask that
5 the HOME and CDBG start to think about the caps
6 that you have now, start to looking at
7 underwriting criteria, because it may take more
8 than \$750,000 of HOME money to preserve or to
9 engage communities for production units.

10 We're mailing so many of the funders in
11 a project now, that it gets pretty complex. And
12 often we're going out and finding 50,000 or
13 \$20,000 to complete a project because these --
14 and I understand why. I mean we want to have
15 those, but at least having some flexibility in
16 terms of how we approach that.

17 And then lastly, the Community
18 Development Block Grant has initiated a program
19 whereby governments can ask for an
20 owner-occupied rehab loan program. We are just
21 starting that in one of our counties.

22 I know it's getting off the ground a

23 little slow -- you put together the regulations
24 in the fall -- but don't give up. We're out
25 there.

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1 Many of us are working on those plans,
2 and you're going to see them coming in, because
3 we see a lot of need there. So we really
4 appreciate that change on the CDBG's part.

5 Thank you.

6 MS. McMILAN: Heather McMilan.

7 I want to echo Jim's comments regarding
8 the encouragement of staff in the Department of
9 Commerce to work closely with the other
10 departments at the state level.

11 We have been doing a lot of that over
12 the last few months, and I'd like to continue
13 that focus, because what we are doing is
14 complex, and the things we're attempting on
15 preservation as well as new construction are
16 complicated. And we appreciate the
17 discussions. Underwriting is really important
18 to wrap your head around.

19 Also, if you could be focused on
20 including USDA. We started doing that at this

21 conference, which is great.
22 There is a big, big issue when it comes
23 on the compliance side, so not only on the
24 project funding upfront, but on compliance and
25 understanding each other is super helpful.

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1 There was a mention that this plan is
2 not covering entitlement cities, and I
3 understand the nuts and bolts of that from a PJ
4 perspective.
5 But because these funds are available
6 -- are currently available in second rounds to
7 the entitlement city, I think it's important to
8 kind of be open and share those discussions with
9 Billings, Missoula and Great Falls so that you
10 guys are working together with the other
11 entitlement cities, because I think we can do a
12 lot more in Montana together if you guys are
13 working in tandem.
14 MR. GAUDIN: I want to thank all of you
15 very much for coming out this morning.
16 I think the other session was supposed
17 to have begun 10 minutes ago.
18 But I really appreciate taking time to

19 offer commentary and perspective about this

20 issue -- these issues.

21 And also, you know, I've given speeches

22 at lunch where people went to sleep. No one

23 went to sleep today, so thank you.

24 Maybe I went to sleep because it was

25 early. Thank you very much for coming. It was

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1 a pleasure to be here with you.

2 (Applause.)

3 MR. BRUMFIELD: So, we're going to take

4 a quick five minutes just to turn around, I

5 believe. And then we'll start in on our kind of

6 nuts to bolts session.

7 So folks, just stick around, and we'll

8 get it all set up.

9 (Whereupon, the morning session was

10 concluded at 9:35 a.m.)

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1 REPORTER'S CERTIFICATE

2

3 TITLE: HUD Consolidation Plan

4 HEARING DATE: May 22, 2014

5 LOCATION: Miles City,

6 I hereby certify that the proceedings
7 and evidence herein are contained fully and
8 accurately on audio notes reported at the
9 hearing in the above case before the
10 Montana Department of Commerce, and that this
11 is a true and correct transcript of the same.

12

13

DATE: June 5, 2014

14

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