2015-2020 CONSOLIDATED PLAN

Public Meeting for the Development of the Consolidated Plan

SPONSORED BY MONTANA DEPARTMENT OF COMMERCE

IN SUPPORT OF MONTANA'S FIVE-YEAR CONSOLIDATED PLAN

TRANSCRIPT OF PROCEEDINGS

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Guesthouse Inn
Winchester Room
Kalispell, Montana

Tuesday, July 15, 2014
2:04 P.M.

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MR. GAUDIN: Well, good afternoon, everyone. My name is Rob Gaudin. I'm the Director of Research and Planning with the consulting organization that the Montana Department of Commerce has hired to help them in preparing their Consolidated Plan.

And this is the second of two public input meetings. We did another one in Miles City a couple months ago, so we're nearing the conclusion of kind of the data-gathering and public-input component.

Just kind of by way of background, I started helping out the Commerce 28 years ago doing some work, and we've worked with them on and off for all of the 28 years, the entire time that my company's been in operation.

I'm also a graduate of Hamilton High School and University of Montana in Missoula, so there you go, just a home boy.

But over these years, you know, my company has done this kind of service for other organizations and other states around the U.S. We're now located in Portland, Oregon, but we keep, you know, a strong sense
of commitment to what we want to do here, meaning serve your community's needs.

This is a planning process, it comes up every five years, and there's some certain things we need to do. Now, it was 20 years ago that HUD consolidated some formula grant programs into a single planning process with a singular, you know, application process, singular timing, and so on, for what was then called the Shelter Grant, but it's really Solutions today, as well as HOME and CDBG.

In exchange for getting funds from HUD for these programs, you need to prepare some kind of a idea about what you're gonna do, how you prioritize your needs, where you're gonna spend the money, what kind of objectives you're trying to attain, what kind of things and benefits you're trying to distribute throughout the entire state.

Now, there's a couple other things, more specifically how you will do it in that first year, the Annual Action Plan, and as well there's another compliance that -- and it's called the Analysis of Impediments to Fair Housing Choice. Now, that's another
fairly significant piece of research, we're gonna cover that tomorrow morning. But today, this afternoon, it's really about the Consolidated Plan.

Now, I know this might look, for those of you who can see here in the room, that this is like a formal thing. It's really not, it's informal. If you have a question, please interrupt me. If you have a clarification, you know, you can throw things at me if that makes you feel good, that's fine, you know, it's all right. But certainly, this is your opportunity to kind of think about what's -- the data is saying, maybe what we forgot, what we've overlooked, what more might we be doing. You know, this is really, you know, your opportunity.

You know, our intent is to identify our housing and community development needs. We want to prioritize or rank those, how are we gonna handle that, get some strategy developed to what we're gonna do to address those needs and then, additionally, how we're gonna spend our money, right? That's really kind of what it comes down to.
Specifically in the Annual Action Plan there's certain things that need to be done. Of course, there are some guidance, if you will. If we have, like, national objectives, we need to provide decent housing within this entire context, provide a suitable living environment, whether that's infrastructure, community facilities, and so on, as well as expand economic opportunities for citizens who qualify for these programs.

You know, we have to measure our outcomes, you know, after that Annual Action Plan. We got to get feedback, report back to HUD, you know, what kinds of things -- how did we enhance communities, you know, what -- who benefitted from those programs, you know, how many units -- housing units we may have added, kind of using these kind of words, sustainability, availability and affordability, really giving HUD an idea of how we do this.

You know, over the 20 years that we've been preparing these, you know, the kind of the templates and the instructions have evolved, and now we have had kind of a new
game plan online thing. It's not very well designed, but we'll work through that and get this uploaded to HUD.

You know, the kind of money that we're taking about, it's been more in the past, but it's still, you know, roughly nine and-a-half million bucks for Commerce to figure out how to allocate, whether that's HOME or CDBG or what have you. So there's some resources there, to talk about some resources there to actually, you know, who's competing or what is competing for these resource. Fundamentally, that's why we're trying to kind of step back every five years and take a look and see, Well, what does the data tell us?

Well, data, you know, for our planning purposes comes across a couple different ways. We have numbers, you know, we measure relationships, we do predictions, kind of measure. We also try to get a sense of how people feel, right? These are my priorities. You know, they might not be everybody's, but mine are important, too.

So there's quantitative, the

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measurement part, and the qualitative, the feelings and opinions part. And we can kind of pour these things into a big bucket and stir it around, but we still want input. Again, that comes back to what this session is about today, what it's gonna be about, your input.

Other people and other agencies have been involved throughout this planning process. And the idea is to distill from both these types of data and people's perceptions, you know, what are the strategies that we can do. You know, how do we approach all this. So we're gonna rank people's feelings, you know, maybe in some order. We're gonna measure relationships.

What we're gonna wind up with is some assessment of our needs, housing and community development needs, housing and homeless, and economic development, and community development, and a variety of other things, and develop some five-year strategy to go after and solve our problems.

We have to do the Annual Action Plan that lays out our first steps. We do this AI
piece, which we'll talk about tomorrow, and
then in the end we're reporting back to HUD;
how did we do with our goals in the five-year,
how did we do with that one-year Annual Action
Plan, and what we hope to do perhaps if we
need to make changes about our future.

Now, I want to emphasize again that
if you have a question or a concern, you know,
just speak up 'cause it's really, you know,
about you guys. I can talk for four or five
hours at a time, you know, I can tell you
stories, you know, when I was a little boy and
stuff like that. But if you want to stay on
task here, we can probably, you know, make
sure we get across what it is that you would
like to address.

You know, in this system, the needs
assessment has several buckets. You know,
housing is one, homelessness is another. You
know, community development is a very large
one under CDBG. But it's also economic
development and infrastructure and a variety
of other things that -- non-housing special
needs populations.

Throughout this entire process, you
know, we're gonna document every -- even
what's going on right now is being recorded,
as you noted when we started out. And we'll
make a summary of that, goes in the plan, and
there's various other pieces that feed into
this.

And we've had some focus groups both
in Helena and in eastern Montana. And those,
you have to kind of solicit input from expert
stakeholders, if you will, about specific
things. And we're still, you know, trying to
pull this all together.

But this is, if you will, kind of a
concluding chapter of the public-input
component. There will be a public review
after we get the documents out. And that's
another, you know, process, another at least
30 days.

But I do want to kind of introduce
kind of some of the information that we're
working with for this. You know, what is our
situation today. I mean, Montana's a huge
state, and there's things that are going
really great and things that aren't going
quite as well as we'd like it to, so it's a
real mix.

And I don't have a presentation designed to talk about specific geographic areas today, but most of the state in its, you know, entirety. But even though, I will touch upon some of the key demographic trends. If you don't like what you're seeing, you know, I want to hear about it. You know, the key economic influences, how are these things influencing decisions, particularly as it might right relate to, say, housing choices or what we might do in terms of allocating our public resources to those types of things.

And we are currently implementing a Housing and Community Development Survey, and hopefully more folks can participate in that. We have a couple, 250 approximately, preliminary findings I'll be sharing with that review today. So with that, kind of a long-winded introduction --

MS. COPE: Everybody says you're fading in and out 'cause you're moving your head back and forth. So that should help, okay?

MR. GAUDIN: All right.
MS. COPE: Is that -- can you get over that wire okay?

MR. GAUDIN: Yeah. Oh, I'm fine.

MS. COPE: Thank you, Rob.

MR. GAUDIN: Well, I apologize if I'm fading in and out. It really isn't the equipment, it really is just me. I'll try to stand still a little bit more so.

You know, what's really great, you know, Montana is growing rather well in the last few years. Just -- you know it's nice, strong. Really, what HUD wants to sometimes take a look at is how this population breaks down. You know, who is growing, you know, where are they growing, what's going on. So -- is this out of focus for you guys?

MS. COPE: Must have bumped something 'cause I thought we had it. There you go, thank you.

MR. GAUDIN: And that's a little better?

MS. COPE: Uh-huh.

MR. GAUDIN: Now, those are numbers, not splotches on a piece of paper. But the idea is, statewide, you know, we've
grown almost 10 percent over this decade. I don't have the 2013 data, but we've continued to grow well since the 2010 census.

But what this is saying is who's growing. You know, whites are growing the slowest. And even though we have a smattering, a small number of minorities, they are all growing more quickly. You know, Hispanics are growing, you know, 58 percent over the decade, that's good. There's not many.

You know, we're still -- you know, it's under 30,000. But at the same time, this community is growing quickly. And the kind of cultural and ethnic diversity of some of our more -- units of local government are also reflecting these changes. When we begin to walk through some of the data we'll see how some things are emerging.

You know, the things that do persist, though, here I've taken just kind of concentrations of American Indian populations. Now, these darker colors, the very dark blue, there's something in almost all the analysis that I've done -- here I'm fading, I can tell.

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We have something like the jurisdiction average percent, you know, that's roughly 6 percent of the population. If it's greater than 16 percentage points, that's a disproportionate share, it's an over-concentration.

Of course, in the Tribal lands we're gonna see an over-concentration. But what we do see is outside that these concentrations are expanding in neighboring communities. Now, so what is causing this migration, if you will, this type of thing? If we were to look at Hispanics, it's a much smaller population, we only have one geographic area where there's a higher concentration. That's West Yellowstone census tract, where it's just a little bit above the 10 percentage points above jurisdiction average. So we do have kind of the emerging over-concentration there.

So some things, again, maybe we have a localized needs that will be those -- if you will, those factors that will help identify and color some of the types of needs.

If we look at how our population age
groups have changed over time, what we see is a couple of them have actually declined, interestingly enough. The kind of 5 to 19, you know, in the 35 to 54 age groups are shrinking.

But what is remarkable is the older citizens are growing rapidly. You know, 63 percent for the group, 55 to 64, that's a phenomenal rate of growth. Sure, they're smaller than some of the other groups. But when you think about 10 years from now, you know, the emerging demands placed on public facilities, the types of housing that people are going to require that have additional likelihood to have additional services is gonna expand proportionately. See, even those 65 and older jumped 21 percent.

But if we just look at that group in particular, the elderly groups, we see some significant changes. When we're up here, those 85 years and older, you know, they're growing at 30 percent. Sure, it's a smaller group, but it's significantly greater than it's been in -- well, forever.

So what we're gonna have is more
incidences of limitations with activities of daily living. Two or more can be considered a little bit of a problem. So the demands for maybe single-level and additional services -- you know, whether that's people who arrive to provide services or whether the resident lives in a facility that may have services -- these kinds of things will increase in their kind of demand. So how are we gonna plan for that is something that we want to think about. These are all considerations we need to take.

You know, five years is the length of this plan, through 2020. So within that period we'll see significant growth in these populations.

Another thing that is a little bit problematic, many other jurisdictions that we've studied, what we're seeing is kind of an echo in large households that are all of a sudden growing.

Now, right here not so much. I mean, they're growing quickly, not as quickly as elsewhere. There's still one-person and two-persons households are increasing rapidly, but there is a small rebound beginning to
occur for households at six or seven or more
people.

Now, back in the '30s or in the '20s,
when homes were built with six or seven
bedrooms this was, you know, a great thing,
but it's starting to come back a little bit.
And I do believe this is, in part, due to the
immigration of various racial and ethnic
minorities.

And so we have significant stress or
demand for larger housing in areas where we
have also increases in racial, ethnic
minorities, chiefly in this particular case
probably Hispanics. But that's something I
also see that is likely to be emerging.

MS. COPE: And Rob, do you think
that that has anything to do with, like, folks
losing their home and having to go live with
family members? Did you look at that
specifically with the housing bust and boom?

MR. GAUDIN: I do think there are
some short-term issues, you know, whether the
economy caused people to lose jobs and double
up and -- but the longer term trend does seem
to indicate that larger households -- the
number of larger households is gonna increase after that problem works itself through.

MS. COPE: I see. Thank you.

MR. GAUDIN: So we do see some fairly substantive growth in the population. You know, we have some overall shrinking persons per household, but that segment of large households is increasing, as well as those whom are elderly.

You know, in terms of our economy, this is labor force. Labor force is a measure of people that are either looking for work or they're working. And here we have the total, people either looking or working, as a red line and those who are working as a green line. And the difference between these two is the unemployed persons.

You know, we had a significant hit a couple years ago, we're on the recovery, we haven't recovered in its entirety yet. But the idea is that people are returning to work and the unemployment rate is falling rather significantly. Here we see Montana's, you know, back down below 6 percent, so that's great.
There's another way to define employment, however. Bureau of Labor Statistics is a little bit narrow. It does not include agricultural workers or the self-employed and things like that, which is a very large part of our economy.

So the Bureau of Economic Analysis releases a count of jobs. And the way it turned down was significantly less than total number of people. But as you see, we've also turned a corner and that is returning. So that's -- this is some 40-some-odd years.

You see here in the '70s and the early '80s are little blips. The one we had most recently was fairly substantial. You know, loss of jobs and now they're returning.

What I like about BEA data, however, is it also has attached to these employment, these jobs, the earnings, you know, how much people got paid at these jobs. They say it's from administrative records, which is a fancy way to say IRS. But the information about these jobs is reported on how much people are making.

Now, this is just dollars per job is
what we have. And this is the state versus
the nation, and I mean it's a massive
difference between the two. 10,000, 11,000
some years' difference. I mean, we are
narrowing that difference now, and that's a
good thing, but it's nothing like it was back
around 1972, before that early '70 recession
where we were really pretty close. So -- but
we are working our way back.

But, you know, what's --
characterizes, you know, you guys is somewhat
different, is that this is per job. If you're
working more than one job, which Montana has a
higher incidence of people working more than
one job, working multiple jobs, you begin to
add in maybe some wealth effects, you know,
dividends, interest, rents and other types of
income under income source, then you divide it
by population and you get per capita income.
And that really does include all the earnings
from multiple job holders.

And what we see is significant
convergence with the nation. There was a time
where we were really lower, but it's not
nearly as bad as wages.
So while it would be great if we could bring our average up to the national average, you know, our total earnings, divided by our -- so total income divided by people who are quite a bit closer. So again, what we are seeing is our recovery is under way, we are, you know, back on track.

What I was pleased to see when I looked at this data here, many areas across the country between 2000 and 2012 poverty rates just went crazy high, significant difference, you know, 8 percentage points, 10 percentage points higher. In some cases here, we're a fraction of a percent. You know, what is this, 3/10, 2/10 of a percentage higher.

Sure, there's a few more people in poverty, but the rate of growth of the population, the recovery, things are, you know, improving. So that's a good thing.

But getting back to this notion about the distribution of people by race or ethnicity and the distribution of poverty, what kind of thing do we see? Well, we see the distribution of poverty concentrated in areas similar to where we had Tribal lands
significantly. This is through 2012.

The ACS stands for American Community Survey. This is census tract data. They do a small, small survey every year, the annual American Community Survey. And then they average it over five years to kind of magically, a little wand over your top hat, tah-dah, and they can come up with a census tract data. Now, they're estimates and they don't change much from year to year, but they're the best we have.

And we do see -- even in eastern Montana there's some pockets of poverty. Now, these are probably -- as the five-year average rolls through, some of those will disappear with the Bakken oil fields exploration occurring so strongly now.

But in the northwestern part of the state and the certain embedded poverty there, there's other questions. But we do have some significant concentrations around the state, and those aren't changing greatly.

Overall, the economy, we do see some, you know, strength returning. You know, there are areas of the state that are developing
rapidly. We still have kind of persistent lower wage rates in many of the other areas of the state.

So the question begins to be as to how these things -- our demographic trends, which portend growth, and our wages and our earnings and our jobs, which portend, you know, some additional growth -- how are those things affecting our choices related to housing.

Now, this particular chart shows us the total housing units increased 17 percent. Remember, roughly 9.9 and 28 percent growth in population. Household formation, that's equal to occupied housing, and it's 14 percent here, still indicates persons per household declining.

But the meat here is the fact that we've produced more housing units than household formation demands. 17 percent versus a growth of 14 percent in those households which were occupied.

You know, we had a decline in homeownership a little bit. 69 to 68 percent of people moving around occurred because of
some challenges we faced related to
homeownership in our homeownership markets.

I'm especially concerned, however,
about the vacant housing units; you know, what
does that comprise. Vacant housing units have
several different pieces. Some of them are
for rent. Yea, they went up 10 percent. Some
of them are for sale, they went up a little
bit, you know, almost 7 percent.

Where I am concerned is the roughly
33 percent of other vacant that's presented on
this table. Those are housing units that are
not for sale, not for rent, not available to
the marketplace. So we've had a shift away
from these.

When these kind of housing units are
out there, if they're located within close
proximity to one another, there's a blighting
influence in a small community, you know, what
are we gonna do about that. You know, certain
areas of the state are losing population.
What happens when these housing units become
empty?

You know, there are elements that
people can move in and kind of pretend like
they live there. If they don't, it's not a good thing. So this is kind of, What can we do, right?

I'm hanging all those post-it-notes, if you will, on the wall. Here we have this and here we have that. These are all issues. Now, how do we prioritize those. This is not necessarily for me to say today. But I do want to present this kind of information to you.

What people still want when they look at housing, single-family units. You know, the dwelling types, they didn't collect this piece of data in the 2010 census like they didn't income, so we're using, again, the American Community Survey.

A significant increase in, you know, single-family, something along the lines of 70,000 units, so there we built all this stuff. Wow.

You know, this year we were actually able to do a little data mining on assessor information to kind of take a look at what our housing stock looks like. It's kind of a lot of complicated stuff, but I would like to kind
of present one little piece of that.

This table is some information from the Montana Department of Revenue. This column on the far left talks about the grade. Now, that's the workmanship and quality of materials used when the building was first constructed. Right? It was cheap stuff, poor stuff, and so it goes down here to, you know, extraordinary, it was gold pulls everywhere.

And then this -- right today there's been some changes in the way this is handled over the last five years. But there's a variable called CDU -- condition, desirability and usefulness -- which is an indicator, kind of a composite indicator, of the current physical state of the property. Right? The current physical state.

Now, if we look up here in the upper left you can take a look at the housing units that were built with cruddy stuff and shoddy workmanship who are also worn out. That's it -- I hope you can see that, it's a little bit white in the background there.

Those things are teardowns, right, that's kind of what we need to do. That's
that information. There's 21,500 teardowns using this analysis.

Okay. Now, that's a lot of housing units. What was unfortunate and we couldn't get exactly the physical condition, but this kind of blended CDU variable, for those houses that were built with great stuff, great workmanship and great materials but are in a little bit not very good condition, those would represent rehab opportunities.

Now, what this tells me is, we really have less than a hundred rehab opportunities in this database, so our real work is not so much rehab but teardown. Now, this is residential, okay, this is not commercial apartment buildings. So that's another set of tables, and I won't belabor you with that.

But look right here at these two numbers that are just outlined in red. That's 38 percent of the housing stock that's just average good to average good. You know, average good, it's fine, but over the long run it's gonna take more to keep it maintained and, you know, there's long-term issues associated with that.
But the illustration here is that we have some understanding about who's got housing that needs to be torn down. Does that correspond with areas where there are -- the infrastructure is already in place, can we just use that same sewer, can we use the power, can we use that to essentially redevelop it. So these present opportunities for redevelopment. You know, I haven't answered that question where those are, but... We do have that opportunity.

Getting back to our production, I had mentioned that we had built a lot, like even the ACS and the census said we had 70,000 single-family units added to our stock, we produced more than household formation told us were needed.

This the total number of permits. Now, there's a problem with it. These are permit-issuing agencies, so there's a lot of data that you had to kind of take illustrations from, you can't quantified quite right.

The best was electrical permits, but they -- building codes has changed the way in
which they administer electrical permits, and they can't figure out how many they issue anymore. They'll send you to their website and I can look up a permit, but I can't say how many are in, you know, Flathead County, if I can look up each contractor.

Oh, I went back and forth with this person for months and we got to a table, it's is special run from something he tabulated for one year, 2013. It's not like the old stuff. I had stuff in my records back in 1980, so I'm missing like 10 years of data. And they're still, Well, we're figuring out how we managed to lose that.

So what we have is permits, which is not everyone issues a permit, but it's a construction permit. But what this does tell us is that when we built like crazy until the collapse, the red bars represent like apartment buildings and duplexes and triplexes, and the green is single-family.

Well, it tanked off. But notice, as the other data has illustrated, we have a recovery occurring. Now, the 2013 permits are
not in yet, but that red indicates there's a big bump in multifamily. This definition includes two- and three- and four-plex units. So we have a recurring issue.

The problem with this data, you can't buy it because it costs over $200,000 to build it, and that's without the lot. That's what this red thing is. Notice over here, it's almost $225,000 for construction of an average single-family home without buying the lot. You still have to put in the infrastructure and the water and sewer and so on.

Okay. So I went to the Montana building industry association and said, Okay, maybe you guys can tell me something. What about building starts? Well, there's imperfections in that accounting data, too, but at least it's all starts. You know, we don't have prices. But this also tells me that we're on a massive recovery right now.

This 2013 data, this is great. It's back up to, you know, getting towards 4,000. But look where this -- 7,000 at its peak. Okay? We know that we built too many then. Are we somehow reaching a happy medium, are we
in equilibrium? I don't know. Prices are
going to keep that depressed a little bit.

So the question really -- we don't
have good information about what types of
housing is best to be building. This is a
market reflection.

If we're gonna allocate resources to
help people in affordable housing, what do we
need to do? Just kind of simple data here,
median cost for rental and homeowner. This is
the 2000 census count. The one in six sample
collected that stuff and 2012 ACS, you know,
single-family, the median doubled, rental
prices aren't up nearly anywhere as high.

But when you drill down in to take a
look at what your cost burden is, remember
where our wage rates have been? Cost burden
represents those people who spend 30 to
50 percent of their income on housing. Severe
cost burden are those that spend more than
50 percent of their income on housing.

Look at the difference between 2000
and 2012. In all cases the number -- the
share of people paying went up significantly,
especially for renters. You know, one-fifth
of all renters are cost burden. And another 19 percent, almost 40 percent of renters, are

Now, in the Consolidated Plan we need
to fill out some information that describes
for us what our unmet housing needs are. That
represents those households that have a cost
burden or a severe cost burden, who are
overcrowded or severely overcrowded, or don't
have complete plumbing or kitchen facilities.
Now, those latter ones are smaller than they
used to be, but cost burden is really kind of
the big one now.

And this is separated by type of
family. What we're seeing is, our current
unmet housing need is 120,000 households.
They're having some kind of a housing problem,
one of these which I just described, that's
the unmet.

Now, our programs are designed for
these first three groups here. That's roughly
90,000, 90,575. That's what it is today.
Actually, it's -- according to the 2006, 2010
CHAS [phonetic], a couple years old.

What we did was then go and do our
forecast. We have a prediction of housing demands for the end of the planning period, 2020. And here it is, we separated it by this kind of income groupings and, you know, renters or homeowners and what have you. We get some prediction. You know, we go from roughly 409,000 -- remember, that was the number of occupied households. Now it's the number of housing units that are demanded. Those two are always in perfect equilibrium. But we go from 409 to 450,000, so we're adding roughly 41,000 households over this 10-year period.

When we look at this prediction, remember, the green line here is households that's growing more sharply 'cause persons per household is declining, so it's growing faster than population.

But remember, not everybody is, like, enjoying in the great economic windfalls from eastern Montana development. You know, there are others that are not sharing or trying to get there and they're still living in their cars.

Somebody, I forget where from,
e-mailed me a little article who's -- they interviewed this family living in I forget which town in eastern Montana. They've moved from Oklahoma 'cause it was the only place they could get a job, they're making more than 200,000 a year, and they can't find a house. There's nothing. So they're living out of their car on 200,000 a year. I'm like, What? But -- see, that's how I wind up talking too much, going off on a little story.

This here tells us what our unmet need is. We use the forecast of those households that are 80 percent or less of median family income plus our base -- here we're at 107,000. I mean, this is -- I don't know how we can get there from here. But this is what we're looking at.

Maybe we can talk to our political leaders about different instruments that we can tap into to kind of help us with this. Certainly we need some creative solutions.

Is anyone -- am I just speaking to the choir here? That's really what it seems like, but...

I do want to note, I've had some
challenges pulling together homeless populations. That little story about the folks who are homeless but working and making great money. That's not this group.

But we got this information from HUD, you know, some other places, to try to assemble what homelessness has been doing in the state of Montana over the last eight or nine years.

Okay. It jumps from 1,200 to 1,600 in this period right here. Is this the result of the economy, is this a result in the change in the way of counting homeless? The answer is yes and yes. But we do have a little bigger problem, and it stabilized in roughly the 1,800.

When we look at kind of some of the subpopulations, you know, the unsheltered here has higher incidences of people with chronic problems and severe mental illness. These are populations that have significant need for services in addition to shelter. This persons not otherwise classified was our way to get the total to come back together. So we still have this -- this is the 2013 count, put in
We tried to also add up where these folks were geographically throughout the state. The numbers don't add up quite right. Be that as it may -- here, I have a little statement that kind of qualifies that a little bit.

But I mean I'm surprised -- you know, here you guys are at 300. You know, I mean Butte's small. Billings, you're up there with Billings? Wait a minute. So that's kind of surprising how that plays out.

We've talked about housing needs, and the consolidated plan springs a lot from the Cranston-Gonzales National Affordable Housing Act of 1980. When the consolidated plan came into being in the Clinton Administration, kind of backed legislation from 1990, drove the requirements for the consolidated plan, and that's why it's kind of a lot about housing. But that's not to say that it's not about other things also.

And in order to kind of look into -- the legislation requires certain things be counted. The unmet housing need, that's a
legislative piece for the government. But to consolidate some of the plan also wants to take a look at the other pieces.

What we've been doing is Housing and Community Development Survey, right? This is such a long name, you know. You remember this part here, research dot net slash s and then 2014 Montana Housing and Community Development Survey, you'll be able to go there and answer it if you haven't already.

Just -- you know, it's been going on for a little while. If you haven't heard about it, please take it to church, get all your, you know, folks at church to fill it out or anybody else on your neighborhood, please. You know, we just urge participation.

And it's -- about anybody can participate. It's great. You know, it's an online thing, I can download the database and analyze it and, you know, it continues to grow. And I've tabulated these last week, so I'm sure it's a little bit more than that.

But one of the first questions is just to ask people the familiarity or their use of some of these programs, and 55 haven't
used but a bunch have, and some don't understand. But I'm still glad that they've participated.

But what I do want to do is kind of walk through how people have ranked needs. Now, these are -- in the old days with a consolidated plan you needed to rank your need by no need, low, medium, or high need.

Basically, that means when it's no need you are absolutely not gonna fund it. If it's low, Well, nah, probably not. Maybe, but probably not. Medium would be, Yeah, we're gonna try to.

That would be something I would do on my computer software. But I'm currently without one for that exact reason. Somebody knocked over their glass, but it was empty.

But -- oh, darn. Oh, yes. In these housing needs, the new Consolidated Plan, you can only put high and nothing else. So it's like the -- it's online ID@SU [phonetic]. But high need and nothing else.

Well, what happens is, if you have any kind of flexibility, you know, that takes away all your flexibility. So we're figuring
out a path around that. But our survey, we
did it the old-school way; no need, low,
medium, or high.

So we're gonna start with housing
needs. And I've ranked these things --
there's a couple charts, you know, that span a
couple slides. And what I did with these is,
just for these variety of housing activities,
I ranked them by frequency of high need.

So construction of new rental
housing. Okay? Didn't we see the market
already responding to that? You know, didn't
we see that housing ownership declined a
little bit? Housing prices are elevating.
You know, under-riding that is... But look,
the next two, top three are all about rental.
Rental housing for low-income. Rental housing
rehab, right, that's rehab, that's commercial
building. I didn't present that slide for the
assessor. But it's about rental, right?

And that goes down here to homeowner
rehab. That's not the bottom of the list
because I couldn't fit all these on one slide.
Here we start off with high need again, 68,
and we just go down the list. We get down
here, homeownership in communities of color, downtown housing, demolition, not so interesting. Demolition, well, rehab, we gotta demolish it and start over, but maybe, I don't think just demolition.

The takeaway is the preferences point towards rental housing. And it doesn't mean that they point to rental housing everywhere, but sentiment is very strong towards that.

Now, we also have housing activities, something that might be done in support of facilitating production of housing. These are kind of complicated, too many words. I think I have a three-slide break with this one. But we're talking about infrastructure and making the marketplace a little bit friendlier for housing, sentiment's lower, but it's really the top two, you know, trying to get people more aware, make sure we have the infrastructure in place.

You know, we get down here a little farther, services, parks, I'm not sure that's so important, as simply having something to do. Over here, you know, 48, information about housing, people simply want the housing,
not as important. And it continues to dribble off down here. High needs and it's, you know... Down below, you know, it's just needs better access to technology. Well, yeah. But, really, it's about rental housing ultimately.

Now, I kind of ranked these in a certain order by topic. So here's economic development. Notice the housing, it's number one at a hundred. The next two highest ones are right here, retention of existing businesses and higher paying jobs.

So those are the -- rental housing, new construction are these two, the top three strongest sentiments. It returns back to housing for the -- you know, more rental housing. But that's a very strong sentiment in the '90s. It drops off rather quickly. You know, you just read down the list, you know, provision of job training, Yeah, but not as much. Help entrepreneurs, Yeah, but not as much.

We look at kind of where we wind up with down here, the lowest sentiments, really talking about strengthening trade partnerships
with foreign countries, you know, equity partners, kind of creative things, sometimes they work and sometimes they're kind of a little bit of a hit and miss.

When we look at infrastructure, you know, in some of these particular topics the sentiment for these subjects is actually slipping. Water systems, street and roads, sewer systems is really kind of the top three here.

Ladies, thank you for coming. They apologized before, they had to leave early.

Human and public services needs, you know, the sentiment begins to soften. It's not as important to as many people as a high need. You know, we have some issues with chemical dependency and some services, but it dribbles off rather quickly. Use centers, there's some problems, probably not to the use centers themselves are not as wanted, but the ability to continue to fund them. CDBG is about the capital infusion and how do we keep them open. And I think that's partly what's going on here.

We continue down the list, you know,
mitigation of various hazards, it's really kind of off the radar. Very weak sentiment. Special needs groups, again, this is more about people's feelings. You know, what do you think.

Persons with severe mental illness, now this is housing with services, right, and we see these things, veterans, frail, elderly and so on, these top four in this group, give us some sense of what people are feeling.

Special needs groups just for the housing piece of it, really, permits, support of housing, rapid rehousing, you know, within the kind of the homelessness arena.

Public facility needs, you know, we're kind of back to a little bit of weakness in the sentiment, how people feel about healthcare, child care, use centers kind of reappear a little bit. But the high needs are really quite weak compared to some of the other categories.

Of course, I asked most just in a general sense, Well, how do you think we ought to allocate our resources anyway? You know, what we see are kind of the two things that
had the strongest sentiment come out on top, housing and economic development. This one should really be parked up here above that, but the CDBG is at only 15 percent anyway.

These are just advisory and not, you know, what we're going to do. Again, this is the survey link. You know, if you would like to take it or you know someone who hasn't had an opportunity to take a look at it, please pass that along.

And really, again, it's a -- what we're here to do besides, you know, listen to me flap my lips, is really tell me what you think, you know. Have I missed at something here? Yes.

MS. COPE: Was somebody gonna say something? If somebody is, what I'm gonna ask you to do is come up by the phone and speak so that the folks out on the conference call can hear you.

JANE NOLAN: Can they talk, too?

MS. COPE: Yep, they can talk too.

MR. GAUDIN: Yeah. Yeah, they can talk too.
MS. COPE: But if anybody in this room is gonna speak, would you guys do me a favor and just go talk like into that microphone there, you know, the speaker on the phone. And I thank you for that.

JANE NOLAN: All right. I'll be the guinea pig here.

MS. COPE: And will you please give your name, because we do have someone here transcribing the minutes for Rob. So, thank you.

JANE NOLAN: Okay. My name is Jane Nolan. I'm the chief financial development officer at Community Action Partnership Northwest Montana in Kalispell. And so I really appreciate, Rob, what you've done. This is really a good presentation.

A couple of things that I think that were not brought up. Our agency administered the HPRT grant during the era time frame, which is Homeless Prevention and Rapid Rehousing. And one of the things that HUD is really emphasizing right now is rapid rehousing. In other words, getting the folks who are already homeless and finding them a
home.

But as you could see before in the Emergency Solutions grant, that pot of money is really small. But I think what we learned from the HPRT grant is that homeless prevention is at least as important and, in my mind, more important than the rapid rehousing because if you can keep people from becoming homeless, they don't even become a statistic.

And sometimes all you need to do is help people with a month, month and-a-half, just a short-term thing, to get them over the hump, and then they're back on their feet again and they don't need assistance.

But for some reason -- and I think it's because you can't track those things -- HUD is interested very much in outcome. Well, how do you track somebody who was at risk of homelessness and is not at risk of homelessness again? It's not a number that can be tracked. So for some reason, they don't want -- or that's not the emphasis anymore, and I just totally disagree with that after running that program.

And I'm a part of the continuum of
care group. And that's the other thing that we've come up with, is that folks that are at risk of homelessness, sometimes it's a situational thing, sometimes it's a generational thing.

But if you could put a little bit of money into helping those folks and have some really good results. And somebody who's homeless, most of the time you have to put a lot of money into that and a lot of effort. And not that we shouldn't help people that are homeless, but I think we also have to help the others.

So that's my soapbox. So thank you.

MR. GAUDIN: Thank you. You know, I'm out of -- my airbag is just completely deflated now. Let me think of something.

MS. COPE: I have something, Rob.

MR. GAUDIN: Yes, ma'am.

MS. COPE: So Steve Inman is on the webinar, and he has this question. Is there any data as to the age of our current rental stock?

MR. GAUDIN: The answer to that
question is yes. The one slide I gave you on
the assessor data has all the vintages
associated with all of that housing stock.

Now, to what extent these residential
units, which include duplex, triplex
and four-plex, and I don't know precisely how
many of them are single-family homes or
rented, but I also know that the commercial
property used for residential purpose, another
database, has all the rental property, and we
also have vintages associated with that. So
that will be part of what's published with
this. I just didn't have that today.

MS. COPE: I also have a question
from Nancy Harte in Missoula. It was quite a
while ago, and I just didn't want to step in
and interrupt you.

But she asked, so I think it's way
back on your slides, are the dark blue areas
at the entitlement communities representing
high poverty, or is that just the boundary
line? Both are dark blue.

MR. GAUDIN: Those entitlement
communities are outlined in blue boundary. So
my apology for that discrepancy.
MS. COPE: Okay. Nancy, does that answer that for you?

And if anybody else is on the call and would like to just speak up, just unmute your phone by hitting star two and ask your question.

Oh, Nancy said no. That didn't answer it, I guess.

MR. GAUDIN: Okay. Let me back up to poverty.

MS. COPE: Sorry, Rob, but thank you.

MR. GAUDIN: Yeah, you're welcome.

MS. COPE: Down at the bottom, if you hit that...

MR. GAUDIN: It should be showing the entire screen.

MS. COPE: Normally I click this little guy right there and this little guy down -- no, this one over here, up here on the gray right below -- there you go.

MR. GAUDIN: Very good. Thank you. Those are -- for the three entitlements, those are the boundaries of the entitlements.
They do not indicate the concentrations of poverty, although they're more than one census tract where the needs of the entitlement, so it's not particularly clear when you're looking at the entire state.

MS. COPE: And she says here, since they are outlined in blue and the high poverty is blue, how can we tell if it's high poverty or just the boundary? So just...

MR. GAUDIN: I guess you can't from this map. The Analysis of Impediments excludes the entitlements. So tomorrow's maps will have a white blotch there. So those will be subtracted from the analysis. They are included here, and we did not do a zoom-in on the entitlements.

MS. COPE: And she says, okay, thanks. Thank you.

MR. GAUDIN: Yeah. You sounded like you have a question.

KATHARINE THOMPSON: Hi. My name is Katharine Thompson. I'm with the City of Kalispell Community and Economic Development. I apologize, I did walk in a little bit late. And so I'll ask first, is this an appropriate
forum for me to ask a couple of questions about how the Department of Commerce may be able to, through its interactions, help us to get better data?

So specifically, I guess -- and it comes to my mind every time I see anything referencing census. It seems to me that in rural areas we have a significant lag in getting census data, and then that ACS survey, in my personal view as someone who's tried to use that data, is rather incomplete and difficult to use.

And so, because I lack a forum where I know I can communicate that, I thought I might mention it here. I don't know if that's to any avail. But I assume that I'm not the only one who finds that to be something of a struggle, to find really good data that's -- it's just not available the way it used to be because of changes to the census, as far as I'm aware.

MS. COPE: And I can't help you personally. I'm Penny Cope, and I work in Housing. But can I ask, like, you can e-mail me and I'll put you in contact with the folks
in the Census and Economic Information Center within Commerce, and they're like those census mirrors. So I think they would know where to get the data. They probably like it if I call them that.

KATHARINE THOMPSON: And I may be the only person.

MS. COPE: I know you're not. Everybody's frustrated with the data.

KATHARINE THOMPSON: As someone who works in red tape, it is just really frustrating.

MS. COPE: Yes, it is.

KATHARINE THOMPSON: And across the board in every type of grant that we try to work on, wherever we need to document need and document whom it is that we'll be serving with the funds, it is incredibly difficult to do. And two parts. One, the information not being collected anymore and, second, because of the lag, so...

MS. COPE: Yes. One, the accuracy, it's really knowing how well it's done or how big the sample is.

KATHARINE THOMPSON: Exactly.
MS. COPE: But I'm kind of in the housing world. And so I kind of just deal with them and find my data that way. But I'll put you in touch with them.

KATHARINE THOMPSON: Okay. Thank you very much.

MS. COPE: Yeah. You got it, yeah.

KATHARINE THOMPSON: Then I think I have a couple other things.

MS. COPE: You bet.

KATHARINE THOMPSON: So, to the housing issue, as you're probably well aware, Community Action Partnership was successful in -- here in Northwest Montana and receiving two Neighborhood Stabilization Program grants that were -- actually, the City of Kalispell was grantee and we've been -- had the privilege of working with that organization for some time.

In doing that, one thing that's come to my attention is the value in being able to serve households that are above 80 percent AMI. So meaning that that group of folks from 80 to 120 percent, that's a significant issue
in our community. And so -- again, not quite sure where that fits with the slides we saw today.

But I would voice that as a concern and an issue going forward, that to the extent that those funds can be made available in the future specific to that group, I think that we'd go a long way toward preventing homelessness when we can serve those folks, but also in terms of stability for homeless families. So I just wanted to mention that, as I think it's an important point.

And I think that one of your last slides, one of your later slides here today, spoke to remediation, properties under economic development for CDBG. And because of the City of Kalispell, I do some work with brownfields, I guess I would point out that I think that there's a really important role that CDBG could be playing in complementary fashion to the existing brownfields funding available at the federal level. That might help with economic development, and even perhaps in the area of housing as well. But I think that it's sort of under-recognized as a
valuable use of those funds.

So I'll put that plug in.

MS. COPE: Excellent.

KATHARINE THOMPSON: Thank you.

MR. GAUDIN: Thank you. Your point is well-taken about the 2010 census. We -- after four decades, the census bureau elected to only do what's required in the Constitution, the head count house count.

As far as questions about how far you go to work, or how much income you make, or what type of house you live in, that was scratched for the minimum requirement.

It was quickly realized by the many people, like HUD, our whole organization of system was set up on this information we've been collecting for the last four decades.

So they created the ACS, and that's good for only communities of 60,000 or more when it's a one-year. Ah, well, they did it for the three-year rolling average for communities of 20,000, and they take it down to block group. And if you're trying to get block group stuff -- I've presented since checked -- block groups, sometimes
there's no data. Beep, you're out of it. But
it is the best that is available, the
unfortunate part. You can do your own
collection, but that is so expensive.

KATHARINE THOMPSON: This is
Katharine Thompson again, with the City of
Kalispell. So if I may add to your point,
it's prohibitively expensive for small
communities. They simply do not have the
resources, and Kalispell is the seventh
largest city in the state of Montana. I will
tell you, we just don't have the resources to
do that. So -- I recognize that.

Again, this is not something where we
have any local control over that decision.
But I can only imagine that it will take many
voices to articulate this concern and,
hopefully, over time there might be some
changes. But it is a rather pervasive issue,
not just in, you know, housing and HUD but
just across the board.

It is a detriment to small
communities to try and access resources. And
so where you already have a detriment in a
small community for a number of years, we now
make that hurdle even higher and more
difficult for them to compete both regionally
and nationally for funding, again, across the
board in types of funding.

    MR. GAUDIN: You are quite
correct.

    MS. COPE: Thanks.

    MR. GAUDIN: Any other comment?

    Yes, ma'am.

    JANE NOLAN: Hi, this is Jane
Nolan at Community Action Partnership again.
Just as we were talking, a couple of things
came to mind talking about HUD and Section 8
housing. I'm not sure that's covered under
the Consolidated Plan, it seems like it should
be since it's --

    MR. GAUDIN: It is.

    JANE NOLAN: Okay, great. One of
the things that we have found out is, over the
last couple of years the number of vouchers
has either been held constant or decreased.
And for the needs in all of our communities,
not just in Northwest Montana, it's huge. It
helps folks usually up to 50 percent of the
AMI and possibly maybe a little bit higher if
they have disabling conditions or something like that.

But the reason I bring this up is, I was at the front desk the other day listening to a phone conversation. And a family called up to check what position they were in on the list. They were at 1,600 on the list. So when people call up to find out about Section 8, which we're constantly encouraging them, because if you don't get on the list you don't get served, think of how discouraging that is to know that you're number 1,600-and-some-odd. And they're not at the bottom of the list.

So these folks know that, in reality, if they keep reapplying and keep their name on the list, there's still probably a three- to four, if not five-year, waiting period for them to even to get to the top of the list.

So it's a program that is essential, but it's not doing any good. I mean, there's so many people that are out there. And that's one of the tools, as well as permanent support of housing which there are very, very few units, that we can use in our Emergency
Solutions Grant to try and get people housed, because most of the folks that are homeless have very low income or are on a very fixed income, so they're gonna need some kind of a subsidy in order to be housed. Subsidies are not available.

So again, what are we doing with these folks? They're living on the street or they're living in extremely substandard housing, which you showed on your list. And I'm guessing there's higher numbers than what you showed on your list. I think that's a small crack. When we see some of the trailers that people are living in or the -- you know, places that are 50, 60 years old and the landlord lets them pay, you know, a reasonable rent, but you wouldn't want your enemy to live in those places. But they can't move 'cause they have no place else to go. It's that or their car.

MR. GAUDIN: Well, I do want to thank you all for coming. For those of you who also called in, thank you.

You know, if by chance there's something else that you wish to talk to, or a
question you wanted to ask and forgot to ask it, or think of something later, I think it would be a great idea if you could forward your request to Jennifer Olson -- soon as I can get to that slide, she'd be the last one, hopefully I won't go past it this time, like last time.

MS. COPE: That's okay.

MR. GAUDIN: But you can forward that to her, just telephone or e-mail address, and she'll get together with myself and we'll address those needs that you have or incorporate those comments you have.

I want to thank you very much for coming to share today, particularly the last couple points was right on the money, and I totally understand what you're saying. So thank you very much for coming and participating at today's session.

MS. COPE: Good. Thank you, Rob.

MR. GAUDIN: Oh, you're very welcome.

(Audience applause.)

MS. COPE: Thank you, Rob. Very good data.
MR. GAUDIN: Thanks.

MS. COPE: Really nice.

(Meeting concluded at 3:14 p.m.)
COURT REPORTER'S CERTIFICATE

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I, NANCY J. SKURVID, Registered
Professional Reporter, residing in Kalispell,
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That the foregoing proceedings were
reported by me in shorthand and subsequently
reduced to writing; that the foregoing pages
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DATED this 21st day of August, 2014.

/s/ Nancy J. Skurvid
Nancy J. Skurvid