BEFORE THE DEPARTMENT OF COMMERCE
OF THE STATE OF MONTANA

2015-2016 ANNUAL ACTION PLAN AMENDMENT
AND
2016-2017 ANNUAL ACTION PLAN
PUBLIC MEETING

TRANSCRIPT OF THE PROCEEDINGS

Heard before Jennifer Olson, Presiding Officer
Montana Department of Commerce
301 South Park
Helena, Montana

March 25, 2016
11:00 a.m.

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

<table>
<thead>
<tr>
<th>Comments</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>PowerPoint presentation by Jennifer Olson</td>
<td>3</td>
</tr>
<tr>
<td>Michael O'Neil</td>
<td>16</td>
</tr>
<tr>
<td>Ruth Burke</td>
<td>24</td>
</tr>
<tr>
<td>Maureen Rude</td>
<td>25</td>
</tr>
<tr>
<td>Heather McMilin</td>
<td>28</td>
</tr>
<tr>
<td>Tracy Menuez</td>
<td>31</td>
</tr>
<tr>
<td>Nancy Harte</td>
<td>33</td>
</tr>
<tr>
<td>Ruth Burke</td>
<td>35</td>
</tr>
<tr>
<td>Andrea Davis</td>
<td>36</td>
</tr>
<tr>
<td>PowerPoint presentation concluded and meeting closed by Jennifer Olson</td>
<td>37</td>
</tr>
</tbody>
</table>
WHEREUPON, the proceedings were had as follows:

MS. OLSON: We're going to go ahead and begin with the presentation. I want to make sure that you also know, at the end, if you have any comments, I will ask you to state your name and who your affiliation is with again. But if you do come in during the -- you know, have any comments, please do, to help our court reporter who is here, state your name so that we can accurately reflect where those statements are coming from.

So again, thank you all for joining us this morning. We have two different action plans that we're going to be discussing. One is the 2015-2016 Action Plan Amendment, and the other one is the 2016-2017 Action Plan. So thank you for coming to our hearing.

The HUD programs that these action plans affect are ESG, CDBG, and HOME. And so, as you all know, DPHHS administers the CDBG -- or excuse me, the ESG program, and then the Department of Commerce administers the HOME and CDBG program. And specifically under CDBG, we review and provide funding for housing and community development activities, such as public facilities and community facilities and also economic development.

We're just going to pause, we're just going to work through some little technical glitches.

(Off the record briefly.)
MS. OLSON: All right. We're going to continue
to go ahead, but please, if you do have any trouble
hearing, you can call 841-2770; we can definitely get you
some assistance right away. And then also, if you want to
chime in and type help, I can't hear, or tell us what your
issue is on the webinar, Stephanie, who is running our
webinar, can definitely help you as well.

So the Consolidated Plan is the five-year plan that we
create regarding all of those programs, CDBG, ESG, and
HOME, and it's a five-year plan that really establishes
our goals and objectives, as well as does a market
analysis, a strategic plan for any housing needs that the
State is reviewing, or, frankly, needs as it relates to
the community development interests of the ESG, CDBG, and
HOME programs.

That five-year plan actually started just this past
year. If you'll recall, last fall, Department of Commerce
went through a public hearing process. That will take us
until April -- actually, it will take us through
March 31st, 2020. So under that Consolidated Plan, then,
each year, there's an annual action plan update of that
Consolidated Plan. So when you think about it, you have a
five-year plan, and then each year, the State is required
to provide an update to that plan to specifically modify
or provide an opportunity for comments to be received from
the public to modify how the State is administering those programs.

So the five-year plan, as I said, goes from 2015 to 2020. It is available on the Commerce website. And the Action Plan that we're looking at particularly related to each one of those years that fall under the Five-Year Consolidated Plan is the 2016 through 2017 Action Plan and the 2015 through 2016 Amendment to that Action Plan. The comment period, as you all probably became aware, began on March 3rd, and it will end April 4th of 2016.

We have a lot of communication that goes out via a Consolidated Plan e-mail ListServ, so if you are not on that ListServ, please contact us at DocConPlan@mt.gov, and we'll be happy to get you connected with us. You can also, if you know of other interested parties, refer them to the website or refer them to us, and we'll be happy to add them to the Consolidated Plan ListServ so that you know all about the actions and activities that the State is taking in relation to the Consolidated Plan and Action Plan.

Also, just kind of a little look forward -- Oh, actually, I apologize. I want to mention one other thing, is that the Action Plan documents are available online, but they're also available at a number of different repositories across the state. The reason that they're
available is only to provide, I guess, extended opportunities. If somebody doesn't have e-mail access or doesn't know how to contact us in order to review the plan, then they can go to a number of different selected repositories across the state to actually review the document itself. If they go to the repository, the repository is only required make it available. They don't accept the comments; the comments must come to Department of Commerce in order for us to receive them. So the function of the repository is really just to make them available.

And within our Action Plan and also on our website, there is a list of repositories. So if you ever know of people that are interested or particularly if your organization is working with specific clientele, definitely, we encourage you to make that information available and known so that people can help participate and provide their own comments to the individual level or organizational level as it pertains to the Consolidated Plan and Action Plan.

Looking forward, the Consolidated Annual Performance and Evaluation Report, otherwise known as the CAPER, is a report about the accomplishments that the State completed according to what we planned to do in the Action Plan. So the Action Plan Amendment and the Action Plan itself, if
those two things are finalized in whatever form they get
sent to HUD, then HUD reviews them and approves them. And
so then the CAPER is a document that the Department of
Commerce and Public Health and Human Services publishes in
order to document how did we distribute funds, where were
those activities funded, and what was the use of those
funds in regards to the beneficiaries across the state.

So this is based on an annual report that is, is per
our plan year. So our plan year begins April 1st and it
ends March 31st, so once that year is completed, then we
begin to publish that. So you'll hear some more
information coming out about the CAPER in the coming
months, since our plan year is set to end next week. And
we'll start to do more advertising about the CAPER in the
coming months. We'll also be -- just a little commercial
break -- having a public hearing during the Housing
Conference to encourage a lot more participation in the
outcomes of the, that the State accomplished through the
Annual Action Plan as reported in the CAPER.

So I kind of have described that, but feel free to
definitely provide any comments or questions if you do not
understand the Action Plan. But it really is important
for the public to participate. We really encourage that
on each annual action plan update, because that's really
how we're announcing, and I say we, Department of Commerce
and Department of Public Health and Human Services, how we are proposing to, you know, award funds and to complete activities and projects with various entities across the state for this coming plan year; again, April 1st, 2016, through March 31st, 2017.

So there's three specific congressionally mandated goals that these funds fall under, ESG, HOME, and CDBG, which is provide decent housing, provide a suitable living environment, and expand economic opportunities. So from that perspective, that's what our Annual Action Plan focuses on, as well our Consolidated Plan.

I want to specifically take a moment just to really exclusively talk about the Action Plan Amendment. The 2015-2016 Action Plan was approved by HUD last fall. And we, through the course of carrying out some activities regarding HOME and CDBG funds, have proposed two modifications to the Action Plan. This will allow the State to -- if we receive comments and the public is agreeable or we provide responses, we'll have that conversation. But once it's adopted, that will allow us to further enhance the ability for those programs to make a better impact and meet the goals established in the Consolidated Plan.

The Amendment proposes -- it's actually available online, but the Amendment proposes to do two things. It's
to modify the HOME ceiling. So previously, the HOME
ceiling was set at $750,000, but we are modifying it to
actually remove the ceiling. Some thought process or
rationale as to the why behind that is because the program
itself sets up criteria and standards to create a capacity
limit so that we don't over-subsidize. And so, so we want
to make sure that if a project has greater need and can
sustain from the HOME program -- meeting the HOME program
requirements, that they can request as much as necessary.

The program for this change, the proposed modification
is to help entities who are using HOME funds to carry out
activities. They can do that in a manner that is really
most advantageous for the long-term sustainability of the
project. We don't want to undercut that unintentionally.
So we're trying to have a better conversation about
subsidy limits, capacity determinations, and per-unit
investment at a project application level rather than
beginning to create a ceiling that may unintentionally
circumvent some hardships -- or unintentionally cause
hardships in the future.

So this amendment is just -- or, excuse me, this
modification is just for this amendment. However, I will
say that in the Action Plan for 2016-2017, you'll see that
there's no HOME ceiling there as well. So I don't want to
confuse you, but this is amending what we said, which was
the limit of 750,000 in the 2015-2016 Amendment. We're going to continue forward with that idea in the 2016-2017 Annual Action Plan.

Additionally, in the 2015-2016 Action Plan, lead-based paint requirements had changed. The HOME and CDBG program had established an additional level of lead-based paint requirements for completing any HOME or CDBG activities. And so in the course of the past few months, as we're in our plan year, we've received some comments and feedbacks from a number of entities or organizations that are completing activities with HOME and CDBG that have expressed these additional requirements or levels of lead-based paint reporting and remediation have presented a hardship.

So what we're doing is proposing to modify the lead-based paint to be retroactive so that those projects can be completed with less, but still meeting the basic HOME requirements for lead-based paint and the CDBG requirements for lead-based paint. So we're kind of backing off a little bit, getting just back to the basics of lead-based paint. So that's what that modification is really getting to, is helping those activities be completed still under this plan year. The other thing that I'll say is, like the HOME funding ceiling, we're also moving that same language into the 2016-2017 Annual
Action Plan, so you'll see that language is then similar.

So as we get to the comment period, we'll talk a little bit about if you're talking about the Amendment or if you're talking about the Action Plan. But moving on to the 2016-2017 Annual Action Plan that's been proposed --

So again, as we've talked about, the Consolidated Plan is the five-year plan and the Action Plan is the, is the years that are amended each year, that proposes an amendment as to how the State will carry out the activities for CDBG, HOME, and ESG. And one of the things that I wanted to mention is that you'll notice that it looks significantly different than maybe if you've been around in the 2000-to-2005 or 2005-to-2010 Consolidated Plan or Action Plans.

The reason that it looks very, kind of scripted and formatted is because of the change in the Econ Plan. We all saw that in the Consolidated Plan and the first year's action plan. And you'll see that there's a lot of consistency in this next action plan year. So that's really a great way for, I think, the public to be able to read it, because HUD has formatted that template or that action plan so that there's more consistency in how you're able to read it, and then you're also able to find information more accurately based on that template. So it looks in that format for a specific reason. And I think
that that's been a really positive change for how this Action Plan Amendment and also Action Plan Draft has been able to be presented.

So there are three major sections to the Action Plan: Setup, process, and the annual action plan. In the setup, it's really just the administrative details. That's where you see who is doing what and who is part and parcel to the whole action plan process. Also, the process gives you an idea of how you can participate in the Amendment or in this plan so that you understand when we're making public hearing announcements or how we've done that, when we held them. It will also give you an idea of where those comments will sit that any of you might provide and where the agency responses will go, so then you can find it really quickly in the Action Plan.

Additionally, the Action Plan itself really establishes those expected resources that we have. And actually, we have -- HUD has announced what the amounts are. So the amounts won't change in regards to the full amount of award for HOME or CDBG or ESG, but now you can see even further how the State has decided to take that resource that's coming from HUD, the financial resource, and how we're deciding to set aside funds specific to those subactivities, if you will; like I talked about, economic development, housing, public facilities specific
to CDBG.

It also further confirms the goals and objectives that have been listed in the Consolidated Plan and reaffirms them again, or could modify them slightly, in the Action Plan. So I want to point that out to you, because as we're going to be receiving applications for CDBG and HOME, those are the goals and objectives that we're going to be looking forward to seeing in your responses in the applications.

So specifically, some Annual Action Plan goals and objectives, it really identifies the need for the program -- or the needs for the programs and the goals for the programs. It also, like I said, establishes the specific funding for each of the subcategories, and then, also, what those indicators are for meeting those goals. Like I had just talked about, the CAPER is the report of those goals. So this is where we're saying these are how we're going to hopefully meet those goals. And it also identifies how the funds are prioritized for those individual programs; how much money we're looking at for housing for CDBG versus public facilities, single-family assistance for HOME versus competitive applications.

So the method of distribution is really quite a critical part to read in, I think, the Action Plan. I'd encourage you to go and read that section.
We also talk in our Action Plan about the barriers to affordable housing and any specific program requirements. So the barriers to affordable housing, we want to make sure that that really kind of overlays into how those activities are going to be carried out and also will reference back to our analysis of impediments that was completed as part of our Five-Year Consolidated Plan.

The program specific requirements, you'll see that that's where we talk about lead-based paint as well. As I said, we're modifying that in the Annual Action Plan for 2015-2016. You'll see that that's where we're talking about lead-based paint and any other program specific requirements for, for CDBG, HOME, or ESG. Specifically, the recapture provisions that were just modified with HUD to the State are listed in there, which will help guide how the HOME program establishes how we can use those single-family funds in regards to the use of homebuyer assistance.

So comments can be received by the Department of Commerce, and the individuals involved with the HOME and CDBG program at the Community Development Division are Kelly Lynch, myself, and Allison Mouch is the planning bureau chief. The ESG program that is operated and administered out of Department of Public Health and Human Services, Jamie Palagi and Kane Quenemoen. So when we
receive those comments that you have about the ESG program, we share them right away with DPHHS so that they can help provide that response that's going to be inserted and included into the Annual Action Plan.

Again, the open public comment period began March 3rd. It ends April 4th. So if you want to think about your comments today and you don't have anything verbally, you send can them in in writing; we will definitely accept them. I'll give you an address in a second. But we also want to make sure that if you have any verbal statements today, please do state your name, spell it for our court reporter so that she can hear it and follow along, and also state the organization that you're representing.

This is the address where you can submit public comments. And the other thing that I would share is that this PowerPoint is available on our website, so please don't be in haste to write that down. It's out there on our website. We can definitely provide that to you, as well as if you send an e-mail to DocConPlan@mt.gov. So you can send them in by postal mail or you can send your comments in via e-mail as well; we'll accept them there, or fax.

So I'm going to open up the floor, not only on the conference call, but also here, and encourage anybody who has a comment to definitely please come forward and share
them with the group, and we'll get it recorded and, and continue our process. And also, if you're on the conference, you can definitely type your answers -- or your comments into the Webinar section, so...

MR. O'NEIL: I'm Michael O'Neil, O apostrophe N-E-I-L. I'm here today representing AWARE, Incorporated. We're the largest provider of disability services in the state of Montana, a nonprofit operating in communities across the state of Montana. I also will partially represent NeighborWorks Montana. I'm the current board president of the board of directors there.

I'd like to just begin with, with some encouragement and comment about the consolidated plan process. I've made this comment in recent years. I see some -- I appreciate today's PowerPoint providing a little insight as to what changes might be highlighted. But in general, I would ask that the Consolidated Plan take steps kind of going back to some older methods to make the process as transparent and understandable to all citizens of Montana, particularly highlighting proposed changes in programs in easily understood language; stating the rationale for a proposed change and some potential impacts of those changes highlighted. Maybe not in the document itself. You could show cross-out, now that you've adopted a new template. Or a better format is, in advance of the
hearing, a memo or something that would go out along with
the announcements highlighting.

These documents are, are dense, somewhat complicated.
I have about 25 years in the field; I found it difficult
to track the changes. And I still haven't had a chance to
read closely through the whole document. But without
highlighting, it makes me anxious that I have to read
every word carefully. That's being said for myself alone.
And I'm a frequent consolidated plan participant,
applicant to all these programs, and I have a hard -- I
have a lot of challenges participating in this process.

But when we look at the consolidated plan process, and
what I really appreciate about it, that in law, in
24 CFR 91.115, the purpose of this process, one of the
primary purposes, is designed to encourage participation
by low and moderate-income persons, potential
beneficiaries of these CP programs, including persons with
disabilities. The State is expected to, and I quote,
"take whatever actions are appropriate to encourage
participation of all of its citizens." In presenting
changes without highlighting them -- And it's a simple
making any proposed changes be easily identified in
consolidated plan documents and make it understandable to
everyone as to their impact. I think it's the least we
can do to encourage citizen participation for all citizens
of Montana.

In addition, I would encourage the more informal processes that allow us to make good public policy and be collaborators and partners in making public policy. I noted that it was a major topic at the Governor's Housing & Construction Key Industry Network, that ability to collaborate with industries and, and stakeholders on making public policy. And there's always, there is existing structures within Department of Commerce that have long been used as a clearinghouse on ideas that could be related to changes to programs, and I think the Housing Coordinating Team is an excellent venue for making those changes, among a whole variety of other things, including e-mails and making contact with folks being impacted.

That's my comments on process. But I would expect to see change in that transparency in the process coming forward.

One of the things -- AWARE is a longstanding community and housing development organization in the state, creating housing for people with disabilities. And there's a major change in this proposal that -- Actually, I had to have it drawn to my attention at the very last moment yesterday. I missed it. I thought it was only impacting homebuyer assistance.

But the community housing development organization is
an innovative piece of the HOME program. When the program
was developed originally in, I think, 1991, the community
housing development organization structure, which is a
legal organization that you have to seek approval from the
State, Montana Department of Commerce, and maintain a
certain eligibility through the structure of your board
and other, other things in terms of who -- and also your
focus of your organization. The idea was to create
flexibility in better meeting housing needs. And the CHDO
was designed to create that flexibility. And one of the
primary things made available was that a CHDO could
directly apply for funds.

Overall, if I'm reading the Consolidated Plan Annual
Action Plan change correctly, it would require that all
applications to the HOME program be submitted on behalf of
CHDOs by local government. I believe this just generally
would impact all housing activities: Home ownership
assistance, renovations, and also new construction of
housing for both rental and home ownership. I believe
that this would place an additional burden and potential
barrier in making application.

Throughout my, my history of opening up housing
opportunities for people with disabilities, nimbyism is
very strong sometimes in that regard, and that local
governments at times have not been our allies to actually
open up community living opportunities for people with
disabilities. And so in making application, it would be a
significant time and cost burden to get the local
government to sponsor your application.

In the implementation of the project during the
project stages, it adds additional administrative burden.
I can't imagine local government is going to want to do
this for free; they would probably take any administration
fee. And so, again, CHDOs, where in Montana we provide no
support for CHDO administrative activity, would lose all
or part of that administrative funding that would come
through the funding. And also, the barrier -- I think it
actually makes it less clear and less transparent for the
HOME program to administer the actual project, the
processing of invoices and things like that, and the
accounting for program funds. Then finally, it adds that
administrative burden in the compliance period, which is
upwards of 20 years in some cases, where you would have to
go through -- again, through local government to be
submitting that annual paperwork.

All in all, I think the folks who originally designed
the HOME program and put in federal legislation to create
the program, in creating community housing development
organizations, wanted the flexibility that community
housing development organizations present, and the
proposed change to make those applications go through local governments would undermine the very nature of that independence and flexibility in addressing affordable housing needs. So that's a general against -- Please maintain the current ability for CHDOs to directly apply for housing assistance without going through an intermediary local government.

One of the major impacts of this proposed change is it would undercut the ability of innovative programs to address housing needs statewide or nearly statewide. As I said, I'm the current board president of NeighborWorks Montana. And for a variety of historical reasons, the ability for local -- small local governments or local organizations, for the most part, to provide homebuyer assistance in their local areas alone, because of changes in the banking industry and lending industry and the need for an organization to have a certain capacity, that NeighborWorks Montana, at the behest of local areas, local organizations, has really become a leader in providing that assistance in communities statewide, along with Missoula HRDC for the Missoula tri-county area and for the Bozeman HRDC.

But what that does is that it allows that capacity to be built up to have the expertise, the compliance, all the things that go into managing that fund. The change to
make that each county -- having to apply through local
counties and local cities would make that arrangement to
be nearly impossible to pull off. It would undermine the
ability to get housing, homebuyer assistance out across
the state in an efficient, effective fashion. So again,
we would ask that CHDOs, like NeighborWorks Montana and
HRDCs, along with local governments, could apply for
homebuyer assistance and other housing activities.

Another comment I would like to make is specific to a
change related to the homebuyer assistance. It's proposed
that they would place a limit of $30,000 per purchase on
homebuyer assistance. We've had the ability and we've
worked -- AWARE has worked alongside Neighborworks to
promote home ownership for people with disabilities, and
there has been allowance in the Neighborworks Montana
program, for example, that allowed for upwards of $40,000
of homebuyer assistance to go to families with a family
member with a disability living in the household. That
has opened -- has been, in many cases, the difference in
making home ownership possible or not.

For some, that may seem like high, but when we look in
our rental programs, we subsidize at a much greater rate
than what we would do there. And in reality, it
frequently allows individuals and families with
disabilities to have housing that better meets their
needs, and at a much lower cost to themselves and
sometimes to other government programs.

So this would create a barrier for many people and
have a disparate impact on people with disabilities' 
ability to buy homes. And so we would ask that you would
not cap at $30,000 and leave that flexibility for higher
needs for people with disabilities and for high-cost
areas.

We appreciate the response of the HOME program in
relation to the lead-based paint issue. Lead-based paint
is a major concern of all of us, as it should be. The
current rules as it relates to homebuyer assistance in
terms of visual inspection or the previous rule which is
now being readopted or --

MS. OLSON: Amended?

MR. O'NEIL: Whatever we're doing there, but
allowing us to just do visual inspections is very
important.

One thing I would encourage is that -- I'm very
familiar with the EPA lead-safe rules, and I find, in
trying to get it implemented, that in these rules is a
requirement for any renovation, not just federally
assisted housing, but any renovation on housing older than
1978 or in child care facilities, that the contractor be
certified lead-safe. And when you go out trying to find
contractors, who are doing renovations all over the state, it's rare to find one that says that they're lead-safe. And so I would encourage that inter-departmental and cross-departmental efforts be made with the Department of Labor on the building trades folks to encourage greater compliance with that. I think that will get more bang for our buck there. Maybe even sponsoring some of the training, certifications, so contractors will have that in place.

I think that's the remainder of my remarks. But I'll take a chance to continue reading through the documents at my leisure and reserve the right to submit some public comment.

Thank you for allowing my testimony.

MS. OLSON: Thank you.

So we have two comments that are online, so I'm going to have Stephanie read them for the record. And please definitely state who they're coming from.

MS. CRIDER: I'll just read them verbatim. The first one is from Ruth Burke, District XI HRC.

MS. BURKE: I agree that participants of the process should receive highlights of the changes and we should not have to look for the needle in the haystack and have to read the whole document to find the changes.

MS. CRIDER: That was her first comment. And
then a second comment from Ruth Burke, District XI HRC.

MS. BURKE: I agree that requiring that a CHDO apply for HOME funds through a local government is a barrier. District XI HRC administers HOME homebuyer funds in three counties. If we have each local jurisdiction sponsor the homebuyer program, this would create jurisdictional gaps in services, where, for example, you may be able to get assistance in Stevensville but not Hamilton.

This is an unnecessary restriction that would have a negative effect on the program administration and a disparate effect on our borrowers and unnecessary bureaucracy.

MS. OLSON: Thank you for your comment, Ruth. Is there anybody else that needs to be unmuted to have a comment? Please do type it online if you want to verbalize your comment, and Stephanie can work on unmuting you. But we have a comment in the room.

MS. RUDE: This is Maureen Rude, executive director of NeighborWorks Montana.

And Michael made a few comments on behalf of our board, who have talked a lot about these issues, because the homebuyer assistance program, for us, is a really critical program. In fact, yesterday I sent notes out to a number of our partners. And I personally think that the
HOME program is the most important program available in Montana for low-income individuals to be able to have the dream of purchasing a home. We can help them with a lot of -- help people with a lot of our other programs that are in that higher-income level, but without HOME, it's impossible to get somebody in that is truly low income.

We have been successful at a lot of homebuyers being able to purchase and obtain permanent, stable housing for less than what they were paying in rent. And I think you all should celebrate that the HOME program is so successful at achieving those type of home ownership situations.

So my first comment is related and is similar to the other comments, and it relates specifically to the Annual Action Plan, and that is the section where local governments would have to be the applicant for this homebuyer assistance. We work right now with 31 different jurisdictions, and we have six more cued up who would like to be part of our program. So having to have individual contracts on the part of Department of Commerce with each of those local governments and everything have to flow through them would be a burden not only for us, but on your staff, and I think it would be very difficult to achieve.
I had some work done on our actual loan volume, and we've had loans in nine counties, just in the counties -- I didn't even have them divide up into the individual cities -- that we have separate agreements within those counties. But to give you a flavor of it, we've had a loan in Sweet Grass County, Powell County, five in Lincoln County, one in Carbon County; and then in Broadwater County, Butte-Silver Bow, Cascade, Flathead, we've had 27 -- that was the old Glacier Foundation that we now administer -- and then 17 here in Lewis and Clark in the city of Helena. So, you know, we've been really successful at making that program work, as have our partner organizations who administer the program in their areas.

My second comment is also reflected in Michael's comments, but that is, in both the Amendment and the Action Plan, there's a limit of 30,000 per unit. We encourage that limit to be raised. Right now, we do 25,000 and then 40,000 in high-cost areas or for households with a family member with a disability. And we don't go up to that limit unless we need to, because we do our calculations, and we only them give the amount that they need. So maybe similar to what you're doing in terms of how much entities can apply for, maybe rather than having a hard limit, it's about serving them with how much
they really need in order to achieve home ownership rather than having a dollar limit. So I urge you to consider that.

And then lastly, I want to comment in a positive manner about the changes made in the Amendment on the lead-based paint. We've had a lot of heartache over that and a lot of discussion. But I also think there's some opportunity there, perhaps, in working with some other entities, including a private contractor who is willing to work with us on some kind of application to the EPA or some other entity to try to obtain some funding to pay for that testing, and they're willing to reduce their, charges for doing the testing. And I think that there is some opportunities to work with the private sector on that.

And then I concur with the changing the ceiling or lifting the ceiling on the total amount for CHDOs.

Thank you.

MS. CRIDER: Heather McMilin, she's unmuted and she's got a comment.

MS. OLSON: So Heather, go right ahead.

MS. McMILIN: Great. All right, if you guys can hear me. I just want to echo support for Michael's and Maureen's comments in regards to the homebuyer education component with accessing those HOME assisted funds and how networked they are throughout some of these cities and
counties. Going to the jurisdiction would complicate what is already a somewhat complicated process that they already really do well.

I will say, too, I love that you guys went through on the webinar and pointed out the areas of change. So thank you very much. It's helpful to understand.

We will be submitting comments in writing a little more formally. But to be efficient right now, I do want to point out and make comment that, and Michael spoke to this, that CHDOs get kind of a -- they're special because they can have some access, the HOME program is actually quite innovative. The training that Nancy Harte and I attended in Seattle with HUD trainers was very helpful in understanding why and the intent of CHDOs.

I would like the Department of Commerce to consider that not only is it set up to provide the ability to do quality affordable housing, being a CHDO is not simple. There's a lot of compliance that goes with that in staying certified. So I think that you have a strong network of CHDOs, and there could be more in Montana, and that allowing direct access to state request with either an explanation of why or getting letters of support or maybe a deeper connection from the local jurisdictions would be helpful to know that you're working within the community.

There may be projects, which Michael alluded to, that
might be a bit more of a challenge, so we're trying to find models to work in different parts, in rural parts of the state. We're really lucky in Missoula or Billings; it's easy to go ahead and go through the local jurisdiction because they're their own projects jurisdiction. But it becomes complicated, and we had some issues in Lewistown with just the mechanics of it. And we'd love to chat and work with you guys on some approaches to that, because I also recognize the reasons why going to the local jurisdiction might be attractive.

And I would wholeheartedly support, and so would Homeword, the effort on the contractor procurement and working with the Department of Revenue -- not Revenue, but the Department of Labor and working as a group to look at different delivery models. I know it's a Montana hiccup on why we can't do HOME projects the way they are done in other states, and we're exploring some delivery methods that we're really excited about and would like to at least open the door and do any policy work or have a group discussion about how to approach making changes, if necessary, to make that easier.

And as far as the rest of the comments, I do support the changes on specific projects with that cap being removed and getting to a deeper need or more units or in a difficult-to-develop area. That's an excellent option for
HOME projects and you to allocate based on underwriting and project need and circumstance. So I think that's a good change.

And we'll submit the rest of our comments in probably a shorter and more finite detail to you guys by the end of the day.

MS. OLSON: Thank you so much, Heather.

And we have a comment here in the room.

MS. MENUEZ: Tracy Menuez, T-R-A-C-Y, M-E-N-U-E-Z, with HRDC IX in Bozeman. First, I would, of course, thank you as well for showing changes in the Amendment. It's very helpful.

I'll start on my comments with the HOME program, for the competitive program. Under methods of distribution, we do strongly encourage the Department to reconsider the requirement in the Consolidated Plan that the CHDO applications be submitted by a unit of local government. We're going through that on a project right now, and I can attest that it's definitely added a layer of burden between the two organizations. And, you know, with the current CHDO guidance for administrative funds, it's an unfunded burden as well. So we would strongly encourage the Department to reconsider that requirement.

The application already requires that we work with the local government as far as support. And I think that
that's great, to ask us to continue to get the support of
the local government and their assistance of the
environmental review, but not necessarily to the
application. I think that's probably a little bit further
than is, is workable for the communities. A lot of the
communities we work in are very small; they don't have
staff for this. And really, the administrative
requirements now flow both to the county or city and to
the organization. So from the audit perspective, those
are some big obstacles to overcome. And I think they
could stop a lot of projects in small communities.

We also are supportive of removal of the cap; we think
that's great. And we would like to continue working with
the Department to continue that exploration of how we can
utilize HOME funds under a resale method that we could use
in community land trusts. Because I think that HOME is a
great opportunity for community land trust projects, and
we'd like to figure out how to make those work. And I
know there's some changes.

Under the noncompetitive program, we'd echo the same
sentiment regarding the local government requirements that
have already been stated. You know, we work under
incredibly tight time frames, and adding another layer to
that process can certainly -- it's difficult, when we're
working with our lenders and our realtors, to get them
familiar enough with the process. So we would definitely encourage you to not add another layer beyond what's already in place. I think that the relationships are working quite well as they are.

We would also support removing that cap for those high-cost areas and for disabled families.

And we'd also encourage, you know, consideration of allowing for conventional mortgages. Some of the communities we work in, it's very difficult to secure FHA or rural development, and so allowing for some other types of mortgages would be very helpful.

We're supportive of the amendments on the lead-based paint and, you know, all the comments that have been made on lead-based paint. We've been very supportive.

I think that's it. I brought two people in case I forgot something.

MS. OLSON: Thank you, Tracy.

So we have a comment coming from the Webinar, and I'll go ahead and ask Stephanie to read the comment.

MS. CRIDER: Actually, Nancy, you are unmuted, so you go ahead and speak now.

MS. OLSON: Go ahead, Nancy Harte.

MS. HARTE: Hi, this is Nancy Harte, H-A-R-T-E, and I am with the City of Missoula as well as Missoula County; we are a combined city-and-county office. A
number of groups have weighed in about the requirement
that CHDOs apply through local government, and I don't
think you've gotten a comment from a local government yet,
so I thought I'd just put my two cents in.

We generally are more supportive of the CHDOs' point
of view, that adding an extra step in having CHDO
applicants come through the local government slows things
down. I think one of the main reasons for putting this
new policy into place was so that there would be better
communication with the local governments to know what
projects are going on in their communities, and I think
that's a laudable goal. But perhaps there just needs to
be some formal notification required so that the local
governments are aware.

Certainly, for an entitlement and PJ city like
Missoula, it's a little bit easier because we do have
staff that regularly deal with HOME programs. And I could
see this being quite a burden for smaller communities, and
certainly for projects that cross jurisdictions, multiple
counties and multiple cities and that kind of thing. And
I think it's particularly exacerbated by the fact that
there is no administration funding attached to this.

And the other concern that we have was whether that
would, would limit the number of applications that could
come from a community. For example, if there is a CHDO in
Missoula County, more than one CHDO that wants to apply, currently, those CHDOs can apply on their own, and then the County can apply on its own as well. I'd hate to see it constricted so that there's only one application allowed from a county, because different counties have different needs, and some counties have greater needs than others in terms of the need for affordable housing.

So I just wanted to put that in there in terms of the local government perspective. I understand the motive, and I think it's a good motive and something that ought to be done so that local governments are kept into the loop. For Missoula County and Missoula City, certainly, I don't think affordable housing projects happen much without us knowing about them, but that may not be true in other areas. So I understand that, but let's not make it that much more difficult.

Thank you.

MS. OLSON: Thank you, Nancy.

We have some comments that are typed in on our Webinar, so Stephanie is going to read them.

MS. CRIDER: Ruth Burke, District XI HRC.

MS. BURKE: On the limit of 30,000 per unit, I encourage a higher limit. 60 percent of our homebuyers in the last three years were over $30,000. The borrowers are limited in the program to borrowing only as much as
needed. Limiting the maximum to 30,000 will make working with lower-income borrowers even more difficult than it currently is.

MS. CRIDER: And then she has one more.

MS. BURKE: Ruth Burke, District XI HRC. We support the changes to the lead-based paint requirement and the removal of the cap of $750,000.

MS. OLSON: Thank you, Ruth.

So again, you can type the comments on the screen, and also, if you want, we can unmute you and you can verbally provide your comments. As I mentioned earlier, we have a court reporter here that can record your comment so that we can include it as part of the Annual Action Plan public comment process and the agencies can provide a response.

So it looks like we have another comment, and I will go ahead and ask Stephanie to read it as it's coming in on our Webinar.

MS. CRIDER: Comment from Andrea Davis, Homeward.

MS. DAVIS: I want to support comments provided by all the testimonials today. I don't want to repeat.

Thank you.

MS. OLSON: Okay. Great. And again, if you're out in Webinar, please do definitely let us know if you want to be unmuted; we can provide you an opportunity to provide your comments verbally or you can type in your
question. And if there's anyone here in the room that
would like to add any further comment, even if you've
already provided a comment, you can definitely do so at
any time. And we'll just kind of give you a few minutes.

And I wanted to -- Maybe we'll take this opportunity
to keep on -- I have a few other slides, maybe we'll just
go through those, but that doesn't mean that you won't
have an opportunity still to provide comment.

The next steps that happen in regards to how this
document turns into a final draft is once the public
comment period has ended, Commerce and DPHHS will respond
to the comments made during the public comment period, and
that will be, as I said, within the comment process in the
Annual Action Plan, also in the Amendment to the Annual
Action Plan. So the 2015-2016 Amendment will have its own
comment process, those will be listed in there, and then
the 2016-2017 Annual Action Plan will have a comment
section, and the comments will be listed in there and
responses provided.

Based on the comments that we receive during the
public comment period, the Departments, Commerce and
DPHHS, can modify the document, the Final Annual Action
Plan, Draft Annual Action Plan Amendment, based on those
comments and then include those changes within the final
document. Then once the final document has been reflected
according to what the agency response is, a final document is prepared. We'll publish that online and send it to HUD.

And then HUD can either approve the proposed Action Plan Amendment and the Action Plan itself for last year and this year, and then if they don't approve it, then we go through a conversation with them and follow any process that they have established. But once they do approve it, then at that time the document will be listed as final on the website. And then also, at that point in time, we'll receive an award from HUD, an actual official contract, and then be able to begin obligating those HOME, CDBG, and ESG funds.

I did want to provide just a little information. During this public comment process, we've received some comments actually as stated here today specific to the homebuyer assistance for HOME having to go through a local government. And for the homebuyer assistance, the Department is intending on modifying that so that the homebuyer assistance can be completed. Homebuyer assistance is just a matter of information. It doesn't have to be carried out by a CHDO; it can be carried out by any nonprofit organization.

We've received a lot of great feedback during this public comment period beginning March 3rd, and so the
Department intends on modifying that for the homebuyer assistance section. Not to say that that won't be a consideration for the other comments made today regarding the other changes proposed; the Department will definitely be considering that as well. But I did want to give a little insight into what that modification of the documents will include based on the comments that we've already received.

So it will be more formally announced and clarified, stated within the Action Plan Amendments, but again, the Departments will consider all of them holistically and then provide those responses entirely.

I want to check in with Stephanie to see if anybody has provided any comments. No, it doesn't look like anybody's out there on webinar. Anybody in the room definitely can also provide comments.

I'm just going to go back to the comments page. So again, if you have any written comments that you would like to provide, if you would like to share that with others so that they can also provide the comments, please definitely let them know about this address or tell them to visit our website, contact us directly, send an e-mail to DocConPlan@mt.gov. Go to any one of our repositories to review the document and send us those comments. Comments must be submitted no later than April 4th at
5:00 p.m.

I want to thank you all for joining us today for the changes that the State is proposing to both those documents and look forward to hearing from you if you have any formal comments that you haven't provided here today.

I will go ahead and end the hearing at this time.

(The proceedings concluded at 12:01 p.m.)

* * * * * *
COURT REPORTER'S CERTIFICATE

STATE OF MONTANA  )
COUNTY OF LEWIS AND CLARK  ) ss.

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

That the foregoing proceedings were reported by me in shorthand and later transcribed into typewriting; and that the -40- pages contain a true record of the proceedings to the best of my ability.

DATED this 4th day of March, 2016.

[Signature]
CHERYL A. ROMSA