

Appendix A: Public Engagement Record

The State of Montana solicited public comment by announcing a public comment period and holding a public hearing for the 2022-2023 Consolidated Annual Performance Evaluation Report (CAPER). Every comment received in writing and provided verbally at the hearing was considered. All comments received and the State's responses are outlined below. An official transcript of the public hearing as well as documentation showing outreach completed (tear sheets and affidavits of publication for print advertisements and proof of electronic announcement) are also attached.

Comments Received and Responses Thereto

Tyson O'Connell, Principal, United Housing Partners

Comment #1:

To whom it may concern,

My name is Tyson O'Connell. I'm the founder of United Housing Partners LLC, a development company in Missoula that focuses on developing affordable housing in Montana.

Increasing the supply of homes Montanans can afford is critical right now, and this issue has reached the highest level of Montana's government.

At the May 17-18, 2023, Western Prosperity Roundtable Annual Forum a panel was assembled by the Western Governor's Association and included experts from Montana, Utah, Washington, and Colorado. This panel, moderated by Governor Gianforte, discussed tactics for addressing the region's housing affordability crisis and underscored the importance of investment in affordable housing. As Governor Gianforte said, "I really believe that attainable, affordable housing is the number one issue facing hard working Montanans today."

With this great need in mind, I support the previous decision to reduce the CDBG-ED pool of funds and increase the housing pool of funds and I respectfully submit the following comments regarding the 2022-23 CAPER:

Please increase the CDBG per project cap to \$1,000,000 per project, and please also consider forward allocation of CDBG funds if necessary to meet this cap.

- a. This will help communities use this program to account for Davis Bacon requirements, increasing construction and management costs, higher interest rate increases and credit tightening.
- b. This will improve the expenditure ratio performance by increasing the per-project maximum for multifamily rental new construction and rehab to \$1,000,000.
- c. HOME funds previously had a \$750,000 cap per project that was eliminated several years ago and that has worked well to aid affordable housing projects fill funding gaps.

Thank you for considering my comments and for supporting affordable housing.

Response to Comment #1:

Thank you for your comment for the 2022-2023 Consolidated Annual Performance Evaluation Report (CAPER). The Department of Commerce sets the maximum award amount for the CDBG program during the review of the Annual Action Plan (AAP). That document is currently being drafted and an increase to the maximum award amount will be taken into consideration during our review. In 2022, the CDBG award ceiling was raised from \$600,000 to \$750,000 in order to address increased project cost concerns as they related to inflation and the current housing market. The AAP will also be available for public comment from June 30, 2023 to July 31, 2023. During that time, public comments concerning increasing allocation amounts will be addressed.

Kaia Peterson, NeighborWorks Montana

Comment #2:

To Whom it May Concern:

Thank you for the opportunity to submit comments in response to Commerce's request for comments about the 2022-2023 CAPER on behalf of NeighborWorks Montana (NWMT). Affordable housing is among the top most pressing needs in Montana and NWMT wholeheartedly supports and appreciates Commerce's efforts to preserve existing and construct new affordable housing with CDBG, HOME, HOME-ARP, and HTF funding.

As the costs to preserve and develop housing continue to rise and the housing needs of Montana's communities and residents continue to grow, we have a few suggestions for ensuring that projects are viable and able to meet community needs:

1. Increase the CDBG funding cap from \$750,000 to at least \$1,000,000 annually.
2. Forward allocate future CDBG funds to get more funding into multi-family projects with long lead times
3. Continue to recognize the link between economic development and housing, utilizing some CDBG-ED funding for housing as appropriate

We appreciate the thoughtful approach to ensuring that the limited resources the state administers are responsibly deployed, and the continued effort to support diverse housing types, needs, and geographies. Housing preservation and housing development are both critical needs in addressing Montana's housing attainable and affordable housing needs.

Sincerely,

Kaia Peterson
Executive Director

Response to Comment #2:

Thank you for your comment for the 2022-2023 Consolidated Annual Performance Evaluation Report (CAPER). The Department of Commerce sets the maximum award amount for the CDBG program during the review of the Annual Action Plan (AAP). That document is currently being drafted and an increase to the maximum award amount will be taken into consideration during our review. The AAP will also be available for public comment from June 30, 2023 to July 31, 2023. During that time, public comments concerning increasing allocation amounts will be addressed.

The CDBG-Economic Development (ED) program requires projects to meet HUD's national objective to benefit persons of low-and-moderate income (LMI) through the creation, retention, or training of jobs in Montana where at least 51% of the project's beneficiaries are LMI persons. Due to this, CDBG-ED awards typically cannot assist in housing only development and rehabilitation projects. We recognize the important link between economic development and housing especially when looking at renovation of a mixed-use facility to be used both for housing for LMI households and to house businesses that will benefit the area and create jobs. In addition, it is critical that our economic development strategies be tied closely to the housing plans of the community. The CDBG-ED guidelines aim to provide flexibility and work in coordination with other private and public funding, including grants, tax credits, and loan financing for housing as applicable.

Shyla Patera, North Central Independent Living Services

Comment #3:

NCILS is a center for independent living that helps Montanans with disabilities navigate services so that many can live in communities with or without housing supports. And my comment on the CAPER is I'd like to congratulate both Montana Housing [and] Community Development Division and DPHHS for doing sustainable work through this Con Plan to ensure that many with disabilities can stay in their homes. However, now that the COVID emergency is over and finished, we advocate that you work with your builders and building community to ensure that all housing and apartments have universal design and visibility features in them as well as accessible transportation and community access ways in our infrastructure community, including sidewalks and other things.

As a long time housing advocate, I can appreciate the work that the HOME and ESG programs have done to keep many of our citizens with disabilities house. However, I do and NCILS does also believe that we do need to continue building community supports throughout our programs so that, particularly if people are homeless, they can have maximized accessibility supports not only in the accessibility realm, but the policy and programmatic realm too, as well.

And I will send written comments regarding all of this so that I do not take a complete hour of your time. Thank you so much for allowing me to submit comments.

Response to Comment #3:

Thank you for your comment for the 2022-2023 Consolidated Annual Performance Evaluation Report (CAPER). In Department of Commerce's housing programs, including CDBG, HOME, AND HTF, preference is given to applications that benefit extremely low-income, homeless, disabled, elderly, and other

disadvantaged individuals and families. In addition, all funding sources that Commerce and the Department of Public Health and Human Services (DPHHS) report on in the CAPER must ensure compliance with state and federal accessibility regulations. All HOME, HTF, and CDBG Housing funds are used to develop affordable housing. Newly constructed and rehabilitated projects, including the building site and building itself, must comply with Section 504 accessibility requirements. Before funds are allocated, proposals must be reviewed for compliance with these requirements.