

BEFORE THE DEPARTMENT OF COMMERCE  
OF THE STATE OF MONTANA

In the matter of the adoption of New Rule I pertaining to the administration of the Emergency Shelter Facility Grant Program (ESFG) ) NOTICE OF PUBLIC HEARING ON PROPOSED ADOPTION ) )

TO: All Concerned Persons

1. On September 28, 2023, at 11:00 a.m., the Department of Commerce will hold a public hearing via zoom to consider the proposed adoption of the above-stated rule. Interested parties may access the remote conferencing platform in the following ways:

Video:

[https://mt.gov.zoom.us/webinar/register/WN\\_CzW0n13XTfSgscwRos9E2g](https://mt.gov.zoom.us/webinar/register/WN_CzW0n13XTfSgscwRos9E2g)

2. The Department of Commerce will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the Department of Commerce no later than 5:00 p.m. September 26, 2023, to advise us of the nature of the accommodation that you need. Please contact Bonnie Martello, Department of Commerce, 301 South Park Avenue, P.O. Box 200501, Helena, Montana 59620-0523; telephone (406) 841-2596; TDD 841-2702; fax (406) 841-2771; or e-mail [DOCAdministrativeRules@mt.gov](mailto:DOCAdministrativeRules@mt.gov).

3. The rules as proposed to be adopted provides as follows:

NEW RULE I INCORPORATION BY REFERENCE OF RULES FOR THE ADMINISTRATION OF THE EMERGENCY SHELTER FACILITY GRANT (ESFG) PROGRAM

(1) The Department of Commerce adopts and incorporates by reference the Application Guidelines for the Emergency Shelter Facility Grant (ESFG) Program.

(2) The rules incorporated by reference in (1) relate to the scope, standards and procedures for eligibility, application, award, administration, compliance monitoring, and related requirements for grants to nonprofit corporations that provide emergency shelter for the homeless.

(3) Copies of the regulations adopted by reference in (1) may be obtained from the Department of Commerce, Montana Housing Division, 301 South Park Avenue, P.O. Box 200528, Helena, Montana 59620-0528, or on the web site at <https://housing.mt.gov/>.

AUTH: Ch. 763, Section 17, L. 2023

IMP: Ch. 763, Sections 17 through 22, L. 2023

REASON: The proposed rule is necessary to implement and administer the Emergency Shelter Facility Grant (ESFG) program as required by HB 5 of the 2019 Legislative session.

HB 5 authorized the Department of Commerce to award up to \$5 million in grants to domestic nonprofit corporations to fund acquisition, construction and capital improvements of emergency shelter facilities for homeless individuals and families. HB 5 requires that interested nonprofit corporations submit grant proposals to the Department. HB 5 further provides that disbursement of grant funds is subject to certain conditions and that grant awards must be prioritized based upon the extent to which applicants satisfy such conditions. HB 5 also established certain matching fund requirements and imposed a cap on the amount of funding that may be allocated to entities within any individual county.

The Department proposes adoption of New Rule I, adopting and incorporating by reference the Emergency Shelter Facility Grant Application Guidelines (“Guidelines”). The proposed Guidelines and other relevant information and resources are available for review at HOME-ARP and ESFG on the Department’s website at [housing.mt.gov](http://housing.mt.gov). Interested persons may comment on the Guidelines in accordance with this notice.

Adoption of the Guidelines is necessary to provide detailed information and definitions regarding application submission and content, and application scoring and award criteria. The Guidelines are necessary to specify project requirements, including activities and expenses eligible for grant funding; building and design standards; capital needs assessment and cost estimates for rehabilitation/capital improvements exceeding \$500,000; compliance standards, including Fair Housing Act standards and National Standards for the Physical Inspection of Real Estate (NSPIRE); a minimum period for which the property must remain in use as an emergency shelter in compliance with program requirements; and other related requirements. Except where inconsistent with HB 5, for purposes of uniformity and administrative efficiency, the Department proposes adoption of processes, requirements and standards already used in other Department grant and loan programs.

4. Concerned persons may present their data, views, or arguments either orally or in writing at the hearing. Written data, views, or arguments may also be submitted to: Bonnie Martello, Department of Commerce, Legal Department, 301 South Park Avenue, P.O. Box 200501, Helena, Montana 59620-0533; telephone (406) 841-2596; fax (406) 841-2871; TDD (406) 841-2702; or e-mail [DOCAdministrativeRules@mt.gov](mailto:DOCAdministrativeRules@mt.gov), and must be received no later than 5:00 p.m., October 6, 2023.

5. Bonnie Martello, Paralegal, Department of Commerce, has been designated to preside over and conduct this hearing.

6. The Department maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies for which program the person wishes to receive notices. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be mailed or delivered to the contact person in Paragraph 4 above or may be made by completing a request form at any rules hearing held by the Department.

7. The bill sponsor contact requirements of 2-4-302, MCA, apply and have been fulfilled. The primary bill sponsor, Representative Mike Hopkins, was contacted on August 29, 2023, by e-mail at [mike.hopkins@mtleg.gov](mailto:mike.hopkins@mtleg.gov) and [mikeformontana@gmail.com](mailto:mikeformontana@gmail.com).

8. With regard to the requirements of 2-4-111, MCA, the department has determined that the amendment of the above-referenced rule will not significantly and directly impact small businesses.

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Amy Barnes  
Rule Reviewer

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Mandy Rambo  
Deputy Director  
Department of Commerce

Certified to the Secretary of State August 29, 2023.