

State of Montana 2007 Consolidated Annual Performance and Evaluation Report



Governor Brian Schweitzer

Investing in Montana's Communities

DEPARTMENT OF COMMERCE

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Home Investment Partnerships Program

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For Plan Year 2007

April 1, 2007
through
March 31, 2008

Submitted:
June 26, 2008

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PART I ANNUAL PERFORMANCE REPORT

PART I - CONSOLIDATED ANNUAL PERFORMANCE REPORT

SECTION A - RESOURCES MADE AVAILABLE TO THE STATE

The following discussion separates federal and state funding sources and addresses components pertinent to individual program activities. This discussion does not include all programs that may be available around the state. Information on additional programs is contained in the *Montana Housing Resource Directory*¹.

I.A.1 FEDERAL SOURCE - STATE ADMINISTRATION

Montana Department of Commerce

Community Development Block Grant (CDBG) Program

The Community Development Block Grant program is a federally funded grant program designed to help communities with their greatest community development needs. The program, established by the Federal Housing and Community Development Act of 1974 (42 USC 5301), is administered nationally by the U.S. Department of Housing and Urban Development (HUD). All projects must principally benefit low- and moderate-income households. The Business Resources (BRD) and Community Development (CDD) Divisions within the Montana Department of Commerce (MDOC) administer the CDBG program in Montana. For the plan year ended March 31, 2008, the state received \$6,935,714 in federal CDBG funds.

The CDBG Economic Development (CDBG-ED) program functions within the Commerce Loan Fund, located in the Business Resources Division. The Commerce Loan Fund also operates an EDA/CDBG revolving loan fund (EDA/CDBG RLF), funded in 1990 with an \$880,000 grant from the federal Economic Development Administration (EDA). The EDA grant plus \$300,000 of matching CDBG-ED funds initially targeted a project under the EDA Sudden and Severe Economic Deterioration Area program. All payments from the EDA/CDBG RLF are received and deposited by the MDOC for further relending activities; local governments may not retain EDA/CDBG RLF loan payments. Once a balance of \$100,000 is available, funds are available for loans.

Home Investment Partnerships (HOME) Program

Also funded by HUD, the HOME program provides grant funds to units of local government, public housing authorities (PHA), and community housing development organizations (CHDO) to own, sponsor, or develop affordable housing for low-income persons. The MDOC Housing Division administers the statewide HOME program. The purposes of this program include expanding the supply of affordable housing for low-

¹ *Montana Housing Resource Directory*, Montana Department of Commerce, November 2007; available online at http://housing.mt.gov/Hous_CP_HsgResDir.asp

and very low-income persons, improving the means for state and local governments to implement strategies to achieve adequate supplies of decent, affordable housing, and providing financial and technical assistance to participants to develop model programs for affordable housing. Funds available in the plan year ended March 31, 2008 totaled \$4,376,646. Recaptured and carryover funds of \$149,618 were available. In addition, \$82,255 of HOME's American Dream Downpayment Initiative (ADDI) funds was available and distributed. HOME grantees, allowed to keep and expend program income on HOME-eligible activities, expended \$535,229 in program income during the plan year.

Low Income Housing Tax Credit (LIHTC) Program

The low income housing tax credit is available under Section 42 of the Internal Revenue Code of 1986. The credit is a federal income tax credit for owners of qualifying rental housing meeting certain low-income occupancy and rent limitation requirements. The amount of tax credit that may be allocated annually for housing is \$2,325,000 per year, including a cost of living increase for Montana. The Montana Board of Housing (MBOH), administratively attached to the MDOC, is the state agency that administers the program and allocates tax credits for housing located in Montana.

Section 8 Housing Assistance Programs

Financed by HUD and administered by the MDOC Housing Division, Tenant Based Section 8 Housing (TBS8) Assistance programs allow very low-income families to pay a set amount for rent and utilities, based on their gross adjusted income (currently 30%). Very low-income families have incomes of 50% or less of the HUD median family income for the county in which the family resides. HUD establishes income limits annually. The programs provide subsidy payments to property owners on behalf of program participants.

The TBS8 program, using 39 local field agents in 11 locations throughout the state, provides field services: issuing assistance documents, performing inspections, and examining annual income. The wait list to obtain a voucher is roughly 18 months with approximately 4,482 applicants. The Housing Choice Vouchers is the main program in TBS8, with a HUD baseline of 3,752 units and an annual budget of approximately \$15 million.

The Moderate Rehabilitation (Mod Rehab) program is a project-based program containing 359 rental units. TBS8 subsidizes the rental units, provides a list of prospective tenants to owners, and inspects the rental units annually to insure continued compliance with HQS. Initially, owners of substandard property in Montana rehabilitated the property to meet HUD housing quality standards (HQS) and received subsidized rent for 15 years at a rate high enough to cover the debt service on rehabilitation loans. All Mod Rehab properties are past the 15-year period and have

moved to annual contracts. The HUD approved and funded amount for FFY 2008 is \$1,281,362.

The Montana Project Based Section 8 (PBS8) program performs as a HUD contractor providing management and oversight activities for 99 contracts involving 4,276 affordable rental units, effective August 2008. PBS8 conducts on-site management reviews annually for the entire contract portfolio. In addition, PBS8 approves and processes payment vouchers to property owners and agents.

Montana Department of Public Health and Human Services

Emergency Shelter Grant (ESG) Program

The Intergovernmental Human Services Bureau (IHSB) of the Montana Department of Public Health and Human Services (MDPHHS) administers the HUD-funded Emergency Shelter Grant program. The program received \$398,241 for the plan year ended 2008.

Created in 1986, ESG funds a broad range of eligible activities, including converting, renovating and rehabilitating facilities, operating facilities, delivering essential services, and preventing homelessness. ESG funding enables service providers to expand available emergency shelter capacity to broaden the range of services available to clients. ESG-funded entities may be either shelter or non-shelter providers.

The IHSB distributes the funds to the state's ten Human Resource Development Councils (HRDCs), which together cover virtually all of Montana (see map on page 58). The HRDCs use the funds to meet the needs of the homeless or those at risk of homelessness at the local level.

Housing Opportunities for Persons With AIDS (HOPWA)

HOPWA funds are used to support HUD's national goal of increasing the availability of decent, safe, and affordable housing for meeting the housing needs of persons with HIV/AIDS and their families. Grantees are encouraged to develop community-wide comprehensive strategies and to form partnerships with area nonprofit organizations to provide housing assistance and related services for eligible persons.

The MDPHHS administers competitively funded HOPWA grants for a three-state region that includes Montana, North Dakota, and South Dakota. Tri-State Housing Environments for Living Positively (TS HELP) is a partnership between MDPHHS and four private agencies: the Sioux Falls Housing and Redevelopment Commission in South Dakota, Region VII Community Action Program in North Dakota, and Missoula AIDS Council and Yellowstone AIDS Project in Montana (see map on page 58). The HOPWA grant allows TS HELP to operate its programs providing a continuum of housing and related supportive service opportunities for people living with HIV/AIDS and their families serving these three states.

U.S. Department of Energy (DOE) Energy Programs

The U.S. Department of Energy funds available for weatherization assistance totaled \$2,254,188 for the year ending in March 2008. These funds leveraged additional funds from the U.S. Department of Health and Human Services for the Low Income Energy Assistance Program (LIEAP), Northwestern Energy, Bonneville Power Administration, and Universal System Benefits/Montana Dakota Utilities (USB/MDU) funds. The total leveraged funds available for the year ending in 2008 were \$5,914,820. The MDPHHS Intergovernmental Human Services Bureau administers the program.

The weatherization program provides cost effective energy conservation measures for low-income households, and typically include heating system tune-ups, air infiltration reduction, and attic, wall and floor insulation. During the year ending in 2008, the program weatherized an estimated 1,306 homes in Montana, for a total energy savings of more than 47,685 BTUs.

Montana Departments of Environmental Quality and Natural Resources and Conservation

Technical and Financial Assistance Program

The Montana Departments of Natural Resources and Conservation (MDNRC) and Environmental Quality (MDEQ) co-administer Montana's Water Pollution Control State Revolving Fund (WPCSRF) and Drinking Water State Revolving Fund (DWSRF) loan programs.

- The WPCSRF program is designed to combine federal grant money with state matching money to create a low interest loan program that funds community wastewater treatment projects. The U.S. Environmental Protection Agency (EPA) makes a grant of federal funds to the state. The state must match 20% of that grant. The state's share is derived from the sale of state general obligation bonds. MDNRC makes loans to public entities at an interest rate of 4% for up to 20 years.

Since the WPCSRF program started, the state of Montana has issued more than \$23 million in general obligation bonds, and EPA has contributed more than \$114 million in grants. These state bonds and federal grants, together with nearly \$51 million in "recycled" (unpaid) loan funds, account for the nearly \$188 million program level.

- The DWSRF program provides funds for training, technical assistance, and issuing low interest loans to local governmental entities to finance drinking water facilities and implement the Safe Drinking Water Act. State enabling legislation was passed in 1995 and amended in 1997 after the U.S. Congress passed federal enabling legislation in August 1996. The MDNRC and MDEQ applied for the federal funds in January 1998.

The state has issued nearly \$14.8 million in general obligation bonds, EPA has obligated more than \$77 million, and \$12.5 million in recycled funds have been used to fund loans, for a program level of more than \$64 million.

I.A.2 FEDERAL SOURCE - LOCAL ADMINISTRATION

U.S. Department of Housing & Urban Development

The following programs are available to local groups on a competitive basis (national or regional competition) by applying to HUD.

Shelter Plus Care (SPC)

The Shelter Plus Care program is a source of permanent housing with supportive services to homeless people with serious disabilities. HUD began awarding SPC funds in 1992 to state and local governments and public housing agencies as a way to assist a population that has been traditionally hard to reach. The program targets homeless people with disabilities such as severe mental illness, chronic substance abuse, dual diagnoses (co-occurring mental illness and substance abuse), and/or HIV/AIDS. In response to the needs of the hard-to-reach homeless population with disabilities, the program allows for a variety of housing choices and a range of supportive services funded by other sources. Funds for SPC are available on a competitive basis through the state's Continuum of Care process.

Supportive Housing Program (SHP)

The Supportive Housing Program was authorized by the McKinney-Vento Homeless Assistance Act of 1987. It is designed to promote, as part of a local Continuum of Care strategy, the development of supportive housing and supportive services to assist homeless persons in the transition from homelessness and to enable them to live as independently as possible. SHP assistance is provided to help homeless persons meet three overall goals: achieve residential stability, increase skill levels and/or incomes, and obtain greater self-determination. Eligible applicants are states, units of local government, other governmental entities such as public housing authorities, private nonprofits, and community mental health centers. Funds for supportive housing are available on a competitive basis through the state's Continuum of Care process.

U.S. Department of Agriculture Rural Development Program

The U.S. Department of Agriculture Rural Development (USDA RD) program funds several different housing programs for very low-, low-, and median-income borrowers, including Single Family Housing Direct Loans (502), Repair and Rehab Loans and Grants (504), Guaranteed Rural Housing Loans. Additionally, RD funds Multi-Family Housing Direct Loans and Guarantees, Rural Rental Assistance, Mutual Self-Help Grants, and Housing Preservation Grants.

I.A.3 STATE SOURCE - STATE ADMINISTRATION

Montana Department of Public Health and Human Services Energy Funds

In House Bill (HB) 2, the 2007 Legislature provided the MDPHHS with an additional \$1,000,000 for the 2008/2009 biennium of state general funds to be used for the LIEAP and weatherization programs to help offset the high cost of energy. In 2007, \$87,406 was contracted to six tribes for heating assistance. In 2007, \$500,000 was spent for heating assistance; the \$87,406 with the tribes and \$412,594 for heating assistance provided through the ten Human Resource Development Councils.

Montana Department of Natural Resources and Conservation Renewable Resource Grant and Loan Program (RRGL)

The MDNRC administers the Renewable Resource Grant and Loan program. Financial assistance is available to local governments in the form of grants or loans. Funds are used for grants up to \$100,000 and for securing loans for water and sewer projects. The level of funding for the RRGL program is projected to be \$4 million each biennium.

Montana Board of Investments (MBOI) INTERCAP Revolving Loan Program

The INTERCAP Revolving Loan program, offered by the Montana Board of Investments, provides loans to Montana local governments for a wide variety of purposes. Local governments may use the program to provide short- and long-term loans and bridge financing. During the fiscal year ended June 30, 2007, INTERCAP made \$66.92 million in loans to communities. Loans from program inception in 1987 to fiscal year ending June 30, 2007 total \$251.35 million. To date, \$11.1 million of INTERCAP loans financed heating, lighting, and cooling projects meant to reduce energy costs.

Montana Department of Commerce Treasure State Endowment Program (TSEP)

The Treasure State Endowment Program is a state funded grant program administered by the MDOC. The program was created to assist local governments with financing infrastructure projects in order to help solve serious health and safety problems and keep the cost of the projects at an affordable level. TSEP funds can be used to construct or repair drinking water systems, wastewater treatment facilities, sanitary or storm sewer systems, solid waste disposal and separation systems, and bridges. Any incorporated city or town, county, or consolidated local government; county or multi-county water, sewer or solid waste district; or tribal government is eligible to apply to the TSEP program. TSEP accepts applications for funding construction projects in the spring preceding a legislative year.

Montana Department of Commerce Business Resources Division

Indian Country Economic Development (ICED)

Indian Country Economic Development funds from the MDOC were made available to tribal governments in October 2005. The 59th Montana Legislature made funds available to support tribal business development projects, workforce training projects, entrepreneurial training, feasibility studies, and other types of economic development projects.

Primary Sector Workforce Training Grant (WTG)

The 59th Montana Legislature transferred the administration of the WTG program, established during the 2003 legislative session, from the Governor's Office of Economic Opportunity to the MDOC. The 2007 State Legislature made a total of \$3.9 million available annually for the WTG program for the creation of good-paying jobs in primary sector businesses paying the lower of the state's average annual wage or the county's average annual wage and adding and training at least one new worker in fiscal years 2008 and 2009.

Big Sky Trust Fund

The Big Sky Economic Development Trust Fund was created by the 2005 Montana Legislature to aid in the development of good-paying jobs for Montana residents and to promote long-term, stable economic growth in Montana. Interest earnings from the trust fund are available for financial assistance to local governments and economic development organizations through application to the MDOC. Seventy-five percent of trust fund earnings are awarded annually to local governments in the form of grants and loans for economic development projects that create new qualifying jobs for Montana residents.

Montana Board of Housing (MBOH) Programs

The mission of MBOH is to alleviate the high cost of housing for low- and moderate-income persons and families. The funds to operate the programs administered under the Housing Act of 1975 are generated through either the sale of tax-exempt bonds or administrative fees. MBOH programs are often used in combination with HOME and CDBG funds, where the MBOH provides permanent financing or equity financing.

Homeownership Programs

- Homeownership Mortgage Revenue Bond (MRB) Program: The Homeownership Mortgage Revenue Bond program began in 1977. Its purpose is to assist low- and moderate-income Montanans to purchase homes in the state. The MBOH issues tax-exempt mortgage revenue bonds to provide below market rate funds to finance

first mortgages for households who purchase existing or construct new housing. Primarily, this program is intended to be utilized by first-time homebuyers; however, in certain "targeted" areas, the borrowers do not need to be first-time buyers. Certain income requirements and house price restrictions must be met. Loan fund availability and mortgage rates vary with each new bond issue.

- *Mortgage Credit Certificate (MCC) Program:* The MCC program, which began operation in April 2003, allows a qualified homebuyer to claim up to 20% of annual mortgage interest paid as a federal income tax credit. The remaining mortgage interest (80%) continues to qualify as an itemized deduction. The MCC may be used in conjunction with any conventional fixed or adjustable rate loan, FHA, VA or RD loans, or privately insured mortgage loans statewide including loans made in Indian Country, except a loan made through the MBOH bond program.
- *Set-aside Homeownership Mortgage Program:* The MBOH makes mortgage funds available through recycling mortgage prepayments and other funds held under prior bond issues of the Homeownership Mortgage Revenue Bond program. The MBOH works in partnership with local nonprofit housing providers and local governments to develop programs to target specific housing needs within the local community. The MBOH provides first mortgage financing using below market rate, 30-year mortgages. This is usually coupled with federal grants or local funds to assist in making homeownership more affordable for lower income individuals and families. Applications are submitted monthly by nonprofit housing providers and local governments through the MBOH's "Request for Proposal" process.
- *Disabled Accessible Affordable Homeownership Program:* In 1993, the MBOH initiated the Disabled Accessible Affordable Homeownership program for persons with disabilities to help them acquire affordable, architecturally accessible homes. Qualifying for this program requires that an eligible homebuyer, spouse, child, or parent have a permanent physical disability with a mobility impairment, meet income and family asset limits, and be a first-time homebuyer or have a home purchased prior to the disability that is no longer accessible to their needs. Interest rates vary depending on the buyer's annual income.
- *MyMontanaMortgage (MMM):* MMM expands the range of borrowers that MBOH can serve by combining the MBOH lower set-aside mortgage interest rate with expanded underwriting available through Fannie Mae. With qualifications similar to the Set-aside Homeownership Mortgage program, the MMM is targeted to households at or below 80% of area median income in four groups: Native Americans; housing subsidy clients working with an authorized Section 8 homeownership program; households that have one or more household members with an ADA-defined disability (not limited to access disabilities); and borrowers who work full-time in essential services such as public or private school employees from kindergarten through college level (custodial and administrative staff and teachers), police, fire

fighters, and certified, accredited or licensed health care workers (nurses, pharmacists, technicians, etc.).

- Essential Employee Programs: These pilot programs in Ravalli County with Farmers' State Bank and western Gallatin County with Manhattan State Bank link lower interest first mortgages using recycled bond funds with special down payment assistance second mortgages to help provide homeownership for first-time homebuyers who are teachers or police officers. Borrowers who meet MBOH eligibility and income criteria qualify for a first mortgage through the MBOH. The second mortgage fills the gap between the first mortgage and the cost of an eligible home. No payments are made on the second mortgage until the house is sold or refinanced, at which time the borrower pays the second mortgage and a portion of the gain in equity in the home. This program is designed to help bridge the gap between incomes for teachers and police officers and the high cost of housing in Ravalli and Gallatin Counties.
- Montana House™. The MBOH is working in partnership with the Anaconda Job Corps and the Blackfeet and Miles Community Colleges to construct one-story homes: a 960 square foot, two-bedroom, one-bath home; or a 1,200 square foot, three-bedroom, two-bath home. The homes feature 2x6 exterior walls with R-19 insulation, quality vinyl windows, oak kitchen and bath cabinets, and energy efficient gas forced air furnaces. Homes are completely assembled at the Job Corps or colleges, then moved and installed on a permanent foundation. These homes are available for purchase by individuals or families who meet the Homeownership MRB program criteria, but whose incomes do not exceed 80% of area median income for the county in which the house will be located.

These homes are sold at cost, producing an affordable home. The homes come complete except for appliances and flooring, which the homebuyer provides. The homebuyer is also responsible for the lot, foundation, moving from the building site, placement on the foundation, and utility hook-ups and fees. Technical assistance is available for these functions.

Multifamily Programs

MBOH issues tax-exempt bonds to finance the construction of new and rehabilitation of existing, low-income, multi-family housing. The MBOH issues the bonds to finance projects that meet its requirements through the Multi-Family Risk Sharing and General Obligation Bond programs.

- Risk Sharing Loan Program: The Risk Sharing program provides FHA mortgage insurance for permanent financing of multi-family rental property through a partnership between MBOH and HUD. The MBOH provides mortgage underwriting, loan management, and financing, and the two entities share the risk of loss from

default. The MBOH received final approval to participate in the Risk Sharing program with HUD in June 1994.

- General Obligation (G.O.) Program: The G.O. bond program provides permanent mortgage financing for multi-family rental property. The program requires that the rental property owner agree to restrict the rents to a specific amount and to rent only to tenants below a maximum income level (generally 60% of median income). Currently this program is financing permanent loans for projects receiving multiple sources of funding where rents on the projects are affordable to very low-income state residents.

Housing Montana Fund

The Montana Legislature passed the Affordable Housing Revolving Loan Fund into law during the 1999 legislative session; however, funding was not provided at that time. The 2001 Montana Legislature appropriated \$500,000 in Section 8 reserves and \$700,000 of Temporary Assistance to Needy Families (TANF) funds and allowed direct donations as a source of funding. The Affordable Housing Revolving Loan Fund was renamed the Housing Montana Fund by the 2007 Legislature. The MBOH administers the fund, which can be used to provide financial assistance in the form of direct loans for the following purposes:

- Matching funds for public or private money available from other sources for the development of low-income and moderate-income housing;
- Bridge financing necessary to make a low-income or moderate-income housing development feasible;
- Acquisition of existing housing for the purpose of preservation of or conversion to low-income or moderate-income housing; or
- Pre-construction technical assistance to eligible recipients in rural areas and small cities and towns.

Organizations eligible for loans from the revolving loan fund are state and local governments, state agencies or programs, tribal governments, local housing authorities, nonprofit community or neighborhood-based organizations, regional or statewide nonprofit housing assistance organizations, or for-profit housing developers. All interest and principal on loans, which have a 30-year term, must be repaid to the loan fund.

Conduit Bond Program

This relatively new program offers applicants the ability to issue bonds through other qualified entities and receive 4% tax credits similar to the Low Income Housing Tax Credits (page 2) but is not subject to an annual allocation. The projects are subject to all LIHTC program compliance requirements.

Reverse Annuity Mortgage (RAM) Loan Program

The RAM program enables senior Montanans to benefit from an additional monthly income source by borrowing against the equity in their home. Eligibility is subject to certain age and income requirements. Currently a participant must be 68 years of age or older (some exceptions may apply). Loans of \$15,000 to \$150,000 are available at a 5% interest rate, based on 80% of the FHA determined property value. The loans do not require repayment as long as the homeowner remains in the home.

I.A.4 METHOD OF FUND DISTRIBUTION TO LOCAL GOVERNMENTS AND OTHER ENTITIES

Community Development Block Grant

Fund distribution for the CDBG **Housing** and **Public Facilities** categories is based on annual competitions for each category. Eligible applicants are limited to general-purpose local governments: counties and incorporated towns and cities under 50,000 in population. The maximum grant request for each category is \$450,000. Grantees with open grants must significantly draw down their existing funds before they are eligible to apply for additional program funds from CDBG. Each local government may apply for one housing project and one public facility project each program year.

Of the \$6,935,714 the state received for **FFY 2007**, \$2,209,214 was allocated to the Business Resources Division for economic development projects (see page 30). The Community Development Division was allocated \$2,746,736 for public facility projects (see page 22) and \$1,414,985 for housing projects (see page 29). During the plan year, the CDBG programs also set aside a combined \$466,708 (\$256,708 for CDBG Housing and Public Facilities and \$210,000 for CDBG-ED) for technical assistance grants to local governments for planning related to housing, public facilities, and community development activities.

CDBG Housing and Public Facilities, through competitive grant competitions, allocated some of its **FFY 2008** funds during plan year 2007. Out of the \$6,744,834 the CDBG programs will receive for **FFY 2008**, the Community Development Division allocated \$3,092,868 for public facility projects and \$976,695 for housing and neighborhood renewal projects.

Because of cuts to the CDBG funding and the increasing number of applicants, the program created a partial funding process to assist as many eligible applicants as possible. Through the competitive ranking process, some applicants received only a portion of the amount originally requested. Beginning with the FFY 2008 public facilities and housing competitive ranking competitions, applicants are now allowed to re-apply one time for the remaining CDBG grant balance in the next successive grant application cycle. The applicants re-applying in the case of partial funding cannot request funds that would exceed the original full grant request.

The **FFY 2008 CDBG Public Facilities** category application deadline was May 25, 2007 (see page 17 for projects awarded). The **FFY 2008 CDBG Housing** application deadline was December 7, 2007 for FFY 2008 funds. (See page 26 for applications accepted. Note: Grants were not awarded prior to March 31, 2008, the date of this report.)

For **FFY 2007** the applications for CDBG funding for **technical assistance** matching grants to prepare community plans and studies related to future housing and public facilities projects were due on April 20, 2007. Twenty-one (21) technical assistance grants totaling \$281,402 were awarded (see page 128).

The CDBG **Economic Development** program accepts applications on a continuous basis as long as funding is available for the current program year. Like CDBG Housing and Public Facilities, eligible applicants for CDBG-ED funds are limited to local governments (counties and incorporated towns and cities) except for the cities of Billings, Great Falls, and Missoula, which receive entitlement funds. The maximum grant request a local government can make in a program year is \$400,000. Local governments typically used CDBG-ED funds to make loans to area businesses. The local government may manage loan repayments if it can demonstrate to the MDOC that it has the capacity to administer a local revolving loan fund (RLF) or that it will contract with a qualified local development organization for RLF management.

The Business Resources Division funded seven contracts for economic development loans and grants totaling \$1,983,000 during the program year (see page 30).

In addition, for FFY 2007, \$210,000 was set aside for technical assistance activities. The CDBG-ED program entered into a Memorandum of Agreement with the Small Business Development Center Bureau (SBDC) for its Montana Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Outreach programs. Of the CDBG-ED technical assistance funds, \$10,000 was set aside for this activity. The SBIR and STTR programs provide outreach, counseling, training, and technical assistance to small businesses.

Of the remaining technical assistance funds set aside, \$200,000 was made available for planning grant applications. Four planning grant activities were funded in FFY 2007, with awards totaling \$49,700 (see page 129).

HOME Program

HOME program funds available from HUD in the plan year ended March 31, 2008 totaled \$4,376,646, not including \$82,255 of ADDI funds. The funds were distributed through a noncompetitive process and through a competitive grant application process with a deadline of February 16, 2007. A second competitive application round, open only to CHDOs, was also held, with applications due August 1, 2007.

Eligible applicants include general-purpose local governments (counties, incorporated cities and towns, and consolidated city-county governments), community housing development organizations certified by the MDOC, and public housing authorities. The maximum request for a HOME project under the competitive application process is \$500,000. CHDOs receive a minimum of 15% set-aside of each fiscal year's allocation. Three CHDOs were allocated \$1,091,912 in CHDO set aside funds, more than the required 15% (\$656,497) of the 2007 HOME allocation and the remaining unmet 2006 CHDO obligation (\$388,917).

Existing grantees are eligible to reapply for a competitive HOME grant if they are in compliance with the current project implementation schedule, have no unresolved audit, monitoring or performance findings on any previous grants, and are 75% spent down on prior grant awards.

A portion of the ADDI funds, \$30,435, was allocated noncompetitively to the cities of Billings: \$11,516; Missoula: \$10,693; and Great Falls: \$8,226.

In addition, the HOME program instituted a three-year Single Family Allocation Pilot Program (SFAPP), beginning June 1, 2006, for homebuyer assistance (HBA) and homeowner rehabilitation (HR) programs. The HOME program allocated approximately half of its 2006 allocation (\$1,987,454) and 2007 allocation (\$2,048,507) to the SFAPP, distributed among eleven regions of the state according to a formula.

Dist.	Geographic Area	2006 Funds Allocated	2007 Funds Allocated
1	Montana (funds available statewide)		
2	Daniels, Garfield, McCone, Roosevelt, Sheridan, Valley	\$ 92,842	\$ 95,694
3	Carter, Custer, Dawson, Fallon, Powder River, Prairie, Richland, Rosebud, Treasure, Wibaux	\$ 158,532	\$ 163,402
4	Blaine, Hill, Liberty, Phillips	\$ 91,808	\$ 94,628
5	Cascade, Choteau, Glacier, Pondera, Teton, Toole	\$ 167,068	\$ 172,200
6	Fergus, Golden Valley, Judith Basin, Musselshell, Petroleum, Wheatland	\$ 94,381	\$ 97,280
7	Big Horn, Carbon, Stillwater, Sweet Grass, Yellowstone	\$ 185,772	\$ 191,479
8	Broadwater, Jefferson, Lewis and Clark	\$ 197,087	\$ 203,142
9	Gallatin, Meagher, Park	\$ 235,608	\$ 242,846
10	Flathead, Lake, Lincoln, Sanders	\$ 311,254	\$ 320,815
11	Mineral, Missoula, Ravalli	\$ 163,232	\$ 168,246
12	Beaverhead, Deer Lodge, Granite, Madison, Powell, Silver Bow	\$ 289,870	\$ 298,775
TOTALS		\$ 1,987,454	\$ 2,048,507

To access the funds, eligible entities (cities, towns, counties, PHAs, and CHDOs) submit a qualification package. There is no deadline, no application, and no scoring. Once an entity is qualified, it enters into a two-year contract with the MDOC and begins conducting its single-family program. An abbreviated recertification and contract renewal process is required every two years.

For program year 2006, funds were reserved for each district for 18 months from the time MDOC received its HOME allocation from HUD to allow for program start-up. After 18 months (on December 1, 2007), unused funds were made available to other qualified entities on a statewide, first-come first-serve basis. Beginning with program year 2007, the reservation period for each district changed to 12 months.

Emergency Shelter Grant Program

The 10 regional HRDCs (see map on page 58) receive 95% of the funds allocated under this program. Funds are distributed based on a formula allocation contained in ARM 53-10-502 pertaining to the federal Community Services Block Grant. This allocation reflects areas of poverty and general population.

Housing Opportunities for Persons With AIDS

In July 2005, the MDPHHS was awarded a HOPWA renewal grant of \$1,450,800 to continue operating the Tri-State Housing Environments for Living Positively Program. Serving three states that do not qualify for direct HOPWA formula grant funding, this program is a continuum of housing and related supportive service opportunities for people living with HIV/AIDS and their families. TS HELP is a partnership between MDPHHS and four private agencies: the Sioux Falls Housing and Redevelopment Commission in South Dakota, Region VII Community Action Program in North Dakota, and Missoula AIDS Council and Yellowstone AIDS Project in Montana. In December 2005, TS HELP was awarded an additional \$1.4 million to address the need for housing case management in three of the four regions. Under this new grant, TS HELP Plus, the sponsors were able to hire three housing case managers and increase tenant based rental assistance (TBRA) and short-term rent, mortgage, and/or utility (STRMU) assistance in the three states.

On March 31, 2008, an application was submitted to HUD requesting \$1.4 million to continue operating the TS-HELP program.

Treasure State Endowment Program

The TSEP program provides grants for construction projects, preliminary engineering studies, and emergency projects. Matching grants for construction projects were limited to \$750,000 for the 2006 competition. Typically, a dollar for dollar match is required, but other grants can be used for match. Funding for construction projects is awarded through a competitive process held every other year, with applications due in May of the year preceding the legislative session. The 2007 Legislature reviewed 57 applications and authorized \$32,631,715 in grants to local governments to fund 56 construction projects (see map on page 57). In order to be eligible to receive the grant, local governments are required to obtain a complete funding package for the project before June 30, 2009.

The program was appropriated \$600,000 for state fiscal years (SFY) 2008 and 2009 for grants for preliminary engineering studies. These grants are non-competitive and are awarded by MDOC on a first-come first-served basis. All of the funds were awarded for 42 studies immediately after the appropriation was approved by the Legislature in 2007.

The 2007 Legislature also appropriated \$100,000 to MDOC for state fiscal years 2008 and 2009 to provide grants for emergency projects that cannot wait for legislative approval. By March 31, 2008, \$51,800 was awarded to fund three projects.

Montana Department of Commerce, Business Resources Division

Indian Country Economic Development

ICED funds from the MDOC were first made available to tribal governments in October 2005. The 59th Montana Legislatures made the funds available to support tribal business development projects, workforce training projects, entrepreneurial training, feasibility studies, and other types of economic development projects. Each Tribe was awarded \$55,000 in SFY 2006 and \$50,000 in SFY 2007. A total of \$560,000 for SFY 2008 was available to the governing body of each Montana Indian Reservation and to the governing body of the Little Shell Tribe of Chippewa Indians of Montana.

The governing body of each Tribe is the only eligible applicant for this program. With an application deadline of March 31, a maximum of \$70,000 per Tribe was available for fiscal year 2008. The applicant may grant or loan the money to a business enterprise if it will produce a positive economic benefit for the Tribe(s). A tribal resolution must accompany the application, and a \$1 to \$1 funding match is required.

Primary Sector Workforce Training Grant

The Workforce Training Grant program is target toward primary sector businesses that create at least one (1) net, new job that pays the lower of the current county average wage or the current statewide average wage. Employees must work a minimum of 35 hours per week year round. The program is designed for primary sector businesses with 50% of sales from outside of Montana, or a manufacturing company with 50% of its sales from companies that have 50% of their sales outside of Montana, or a new business that provides a product or service that not available in Montana; including for-profit and nonprofit hospitals and medical centers, that are expanding and adding workers and provides the opportunity to train new workers in specific skill sets. The business' financial statements must support the business expansion. The Montana Department of Labor and Industry (MDOLI) must approve the training curricula.

Approximately \$3.9 million is available annually from the WTG program. The WTG grant application review committee adopted rules and guidelines for the program and approves applications for job training funds. The WTG program can fund up to \$5,000 in eligible training expenses for new workers with a match of \$1 for \$3 of state funds.

Montana Board of Housing

The MBOH allocates Low Income Tax Credits through its qualified allocation plan at two set deadlines per year. For-profit and nonprofit entities are eligible. Selection criteria include projects serving low-income tenants, projects located in distressed or hard-to-develop areas, projects meeting the areas housing needs and priorities, projects servicing tenant populations with special housing needs, and projects in areas with long waiting lists for assisted housing.

SECTION B – INVESTMENT OF AVAILABLE RESOURCES

I.B.1 FEDERAL SOURCE – STATE ADMINISTRATION

CDBG FFY 2008 Public Facilities Grant Awards

(Application Deadline: May 25, 2007)

Applicant: CITY OF KALISPELL, in partnership with the Flathead Attention Home

Type of Project: Construction of Youth Shelter Facility

CDBG Amount: \$ 450,000

Other Funds: \$ 525,496 First Interstate Bank
\$ 20,000 Daybreak Rotary- contribution
\$ 38,433 Montana Youth Homes

Project Total: \$ 1,027,769

SUMMARY: The Flathead Attention Home (FAH) is the only program in northwest Montana providing shelter care in a home-like setting for youth ages 10 to 18 who are at risk and whose lives are in crisis. The facility provides youth a safe and stable home and competent support to work through crises caused by lack of guidance, abuse, neglect, substance abuse, and/or legal or mental issues. Last year, 136 youth needed a safe place to live and found it at FAH. Currently, FAH is leasing a home for \$1,400 per month that is located out of town, minimally meets the needs of the youth, has safety and confidentiality issues, is not ADA accessible, and is always subject to sale. This project would provide partial construction financing for a 10-bedroom home that will be designed specifically for shelter care.

Community Information

Population Served:.....	14,223
Number of Households:	6,142
Benefit to LMI Households:.....	100%
Number of Hookups:	n.a.
Projected Combined Water & Wastewater Monthly Rate with CDBG:	n.a.
Variance from Target Rate:.....	n.a.

Applicant: BUTTE-SILVER BOW COUNTY

Type of Project: Food Bank

CDBG Amount: \$ 329,080

Other Funds: \$ 50,000 M.J. Murdock Charitable Trust
\$ 30,000 Paul Newman Foundation Grant
\$ 5,000 Payless Shoe Source Grant
\$ 50,000 First Citizens Bank Loan

Project Total: \$ 407,964

SUMMARY: The Butte Emergency Food Bank serves the Butte-Silver Bow area, providing non-perishable foods to about 1,000 people monthly whose income is at or below 150% of federal poverty guidelines. The Food Bank will use CDBG financial assistance to improve its recently purchased building including installing a new, well-insulated roof, constructing underground drain pipes outside the building; installing a guard rail along the outdoor retaining wall, ground-fault electrical outlets, smoke detectors, carbon monoxide detectors, new water heaters, a new heating/cooling unit; replacing the carpet in an office; repairing or replacing the present water cooler; upgrading the gas connector line; removing water-damaged sheetrock; insulating warehouse walls; and painting the interior of the building.

Community Information

Population Served:.....	1,400
Number of Households:	1,400
Benefit to LMI Households:.....	100%
Number of Hookups:	n.a.
Projected Combined Water & Wastewater Monthly Rate with CDBG:	n.a.
Variance from Target Rate:.....	n.a.

Applicant:	TOWN OF BIG SANDY
Type of Project:	Wastewater System Improvements
CDBG Amount:	\$ 450,000
Other Funds:	\$ 750,000 TSEP – Grant
	\$ 17,980 Local Contribution
	\$ 446,865 USDA RD - Grant
	<u>\$ 384,473</u> USDA RD - Loan
Project Total:	<u>\$ 2,049,318</u>

SUMMARY: The existing wastewater collection system consists of approximately 32,700 linear feet of pipes; several different pipe types are currently used. A majority of the piping was installed in the 1920's. The existing lift station consists of a wet well and dry well that were installed in 1966 and rehabilitated in 1985. There are numerous deficiencies in the treatment and collection system. Three phases of improvements are recommended to correct the deficiencies. Phase I, this project, would include replacement of the town's existing lift station and replacement of collection pipes with inadequate slopes and pipes that contribute to much of an infiltration problem.

Community Information

Population Served:.....	364
Number of Households:	275
Benefit to LMI Households:.....	56.3%
Number of Hookups:	301
Projected Combined Water & Wastewater Monthly Rate with CDBG:	\$46.42
Variance from Target Rate:.....	100%

Applicant:	TOWN OF JORDAN
	*Re-application due to partial funding from FFY 2007 (see page 11 for additional information about re-application procedures for partially funded projects)
Type of Project:	Water & Sewer Improvements
CDBG Amount:	\$ 328,680 (plus \$121,320 from CDBG FFY 2007 funds; \$450,000 total; see 2007 Town of Jordan application, page 11)
Other Funds:	\$ 700,000 TSEP Grant
	\$ 100,000 MDNRC Grant
	\$ 142,953 State Revolving Loan Fund
	\$ 15,000 Town of Jordan
	<u>\$ 15,000</u> TSEP Grant – PER Grant
Project Total:	<u>\$ 1,422,953</u>

SUMMARY: The town's sewer system was constructed in 1951 and the lift station, force main and lagoons in 1968. The lagoons discharge treated wastewater to Big Dry Creek. Several major problems exist and the existing system cannot comply with permitting standards for effluent limits by April 1, 2009, as required. The proposed project will make the following improvements: changing the existing lagoon

system into a three-cell facultative lagoon properly sized to enhance treatment and the continued discharge of treated wastewater to Big Dry Creek; constructing a new lift station with submersible pumps and an aboveground control building; and replacing a damaged section of the town's collection system.

Community Information

Population Served:.....	364
Number of Households:	275
Benefit to LMI Households:.....	56.3%
Number of Hookups:	301
Projected Combined Water & Wastewater Monthly Rate with CDBG:	\$46.42
Variance from Target Rate:.....	100%

Applicant:	TOWN OF CIRCLE
Type of Project:	Wastewater Treatment Facility Improvements
CDBG Amount:	\$ 450,000
Other Funds:	\$ 750,000 TSEP - Grant
	\$ 404,400 USDA RD Loan
Project Total:	<u>\$ 1,604,400</u>

SUMMARY: The wastewater treatment system, built in 1954, consists of gravity mains, two lift stations, and a two-cell lagoon with a surface area of approximately 17 acres. In 2002, the MDEQ performed an operation and maintenance inspection of the wastewater facility and suggested that the town hire an engineer to complete a Preliminary Engineering Report (PER) and upgrade the wastewater system. The PER discussed options for replacing or rehabilitating the lift stations and rehabilitating the existing two-cell lagoon, and replacement of the lift station/sewer main collection was completed. In February 2006, the town received a violation notice from MDEQ for discharging above the Total Suspended Solid Limit. This project would consist of rehabilitating the two-cell system into a three-cell facultative discharge facility.

Community Information

Population Served:.....	644
Number of Households:	285
Benefit to LMI Households:.....	53%
Number of Hookups:	376
Projected Combined Water & Wastewater Monthly Rate with CDBG:	\$65.78
Variance from Target Rate:.....	136%

Applicant:	TOWN OF TWIN BRIDGES
Type of Project:	Wastewater System Improvements
CDBG Amount:	\$ 450,000
Other Funds:	\$ 750,000 TSEP - Grant
	\$ 1,030,000 State Revolving Fund Loan
Project Total:	<u>\$ 2,230,000</u>

SUMMARY: The town of Twin Bridges is currently served by a central collection and treatment system, constructed in 1963, consisting of asbestos cement pipe, three lift stations, and 2,400 linear feet of six-inch force main to the lagoon site. The entire collection system has sufficient hydraulic capacity to meet the future needs of the community; however, deficiencies within the town's wastewater treatment system have been identified. This project will replace the existing discharging facultative lagoon system with a facultative lagoon, storage lagoon, and slow rate land application (irrigation) system; construct a 9.5-acre storage cell on adjacent property south of the existing two-cell lagoons; line the storage cell with a

PART I-SECTION B: INVESTMENT OF AVAILABLE RESOURCES

synthetic liner to prevent leakage; replace approximately 1,150 feet of eight-inch sewer main, four manholes and two sewer clean-outs; and establish a metered water system. The system would eliminate the discharge to Bayers Ditch and the need for an MPDES permit and would allow for the beneficial reuse of nutrient-rich effluent.

Community Information

Population Served:.....	168
Number of Households:	105
Benefit to LMI Households:.....	63%
Number of Hookups:	279
Projected Combined Water & Wastewater Monthly Rate with CDBG:	\$57.72.
Variance from Target Rate:.....	127%

Applicant: **BIG HORN COUNTY**, on behalf of Crow Indian Tribe

Type of Project: Wastewater System Improvements

CDBG Amount: \$ **450,000**

Other Funds: \$ 750,000 TSEP - Grant
 \$ 715,000 USDA Indian Set Aside – Grant
 \$ 96,426 USDA RD – Grant
 \$ 450,000 HUD Imminent Threat – Grant
\$ 1,100,000 HUD Indian CDBG

Project Total: **\$ 3,561,426**

SUMMARY: Crow Agency wastewater collection system, built in 1911, consists of approximately 8.7 miles of gravity sewer, approximately one mile of force main, and 191 manholes. The existing wastewater treatment facility is currently owned and operated by the Bureau of Indian Affairs and consists of a three cell aerated/facultative lagoon. In 1973, a round concrete equalizing basin with a chemical treatment system was constructed to facilitate treatment of effluent from a carpet mill. This system was never fully utilized and currently exists in a state of disrepair and is not able to meet current or future needs of the community. The BIA and Crow Agency have recommended construction of a new facility and a new aerated lagoon on approximately 80 acres north of an existing wetland adjacent to the existing lagoon. The construction of a new lagoon is phase two of four phases to make improvements to water and wastewater systems in Crow Agency.

Community Information

Population Served:.....	1,552
Number of Households:	336
Benefit to LMI Households:.....	62.4%
Number of Hookups:	538
Projected Combined Water & Wastewater Monthly Rate with CDBG:	\$43.10
Variance from Target Rate:.....	193%

Applicant: **CITY OF HELENA**, on behalf of MT Youth Homes

Type of Project: New Construction of a Youth Group Home Facility

CDBG Amount: \$ **315,000**

Other Funds: \$ 43,000 City of Helena – Land Donation
 \$ 40,000 Fundraising
 \$ 6,000 Montana Youth Home

Project Total: **\$ 404,000**

SUMMARY: Constructed in 1925, the Jan Shaw Youth Home is a group home that provides a safe and structured living environment for abused, neglected, abandoned, and homeless boys and girls between the ages of twelve and eighteen. In May 2007, youth in the program were moved to the Margaret Stuart Shelter Home when the facility was closed due to numerous housing code violations and a floor plan that was not conducive to proper supervision. The proposed project will provide a new home specifically designed as a youth group home with line-of-sight supervision provided by the floor plan. Jan Shaw Home youth that are staying at the Margaret Stuart Shelter Home will be returned to a structured program environment that is appropriate for the care and needs of this population; and the state will have the ability to place youth in the eight beds of this facility.

Community Information

Population Served:.....	25,780
Number of Households:	11,541
Benefit to LMI Households:.....	100%
Number of Hookups:	n/a
Projected Combined Water & Wastewater Monthly Rate with CDBG:	n/a
Variance from Target Rate:.....	n/a

Applicant: TOWN OF JUDITH GAP

*Application received partial funding from FFY 2008 (see page 11 for additional information about re-application procedures for partially funded projects)

Type of Project: Water & Sewer Improvements

CDBG Amount Requested: \$ 450,000

CDBG Amount Awarded: \$ 242,965

Other Funds: \$ 258,000 Montana Department of Transportation (MDOT)
 \$ 50,000 USDA RD Grant
\$ 60,000 USDA RD Loan

Project Total: \$ 653,772

SUMMARY: The town has operated and maintained a wastewater collection and treatment system for over 60 years. In the late 1990's through 2001, the town prepared a PER and constructed new sewer outfall piping, a lift station, facultative lagoons and spray irrigation disposal improvements. The water system consists of an artesian well, treatment system, water tower, and a water distribution system. there have been major well upgrades and water meter installations and the town has adequate water quantity and quality. The MDOT is scheduled to reconstruct Highway 191. The town has determined that all utilities (water and wastewater) within the construction limits are high priority and will have to bear the cost of pipe, manholes, service connections, valves, and all ancillary costs in order to guarantee a 20-year operating life of the utility. MDOT will participate in the construction cost by funding the surface removal, base course installation, and final paving and striping. Recommended improvements include replacing water and sewer mains, manholes, valves, hydrants, and services within the Highway 191 construction limits. These improvements will adhere to the reconstruction requirements of MDOT.

Community Information

Population Served:.....	164
Number of Households:	69
Benefit to LMI Households:.....	80%
Number of Hookups:	76
Projected Combined Water & Wastewater Monthly Rate with CDBG:	\$53.23
Variance from Target Rate:.....	178%

Applicant: **PONDERA COUNTY**, on behalf of Brady County Water & Sewer District
 *Application received partial funding from FFY 2008 (see page 11 for additional information about re-application procedures for partially funded projects)

Type of Project: Wastewater Treatment & Collection System Improvements

CDBG Amount Requested: \$ 450,000

CDBG Amount Awarded: \$ 322,070

Other Funds: \$ 750,000 TSEP Grant
 \$ 100,000 Department of Natural Resource and Conservation Grant
 \$ 800,000 USDA Rural Development Grant
\$ 277,616 USDA Rural Development Loan

Project Total: \$2,301,017

SUMMARY: A single-celled lagoon and collection mains were constructed in Brady in 1955. In the 1970s, two additional cells were added on the west side of the original cell. The Brady treatment system is currently a three-cell facultative lagoon with surface water discharge. An Administrative Order of Consent is in the process of being issued by the MDEQ to the Brady County Water & Sewer District for failure to properly operate and maintain wastewater treatment facilities and submit discharge monitoring reports. The proposed project would: reconfigure the existing treatment system to consist of two primary ponds and one secondary/storage pond with irrigation of the treated effluent; remove the existing sludge from all three lagoon cells; and replace the most deteriorated sections of the collection system with new mains.

Community Information

Population Served:..... 145
 Number of Households: 82
 Benefit to LMI Households:..... 65%
 Number of Hookups: 96
 Projected Combined Water & Wastewater Monthly Rate with CDBG: \$59.46
 Variance from Target Rate:..... 111%

CDBG FFY 2007 Public Facilities Grant Awards

(Application Deadline: May 26, 2006)

Applicant: **LEWIS & CLARK COUNTY** (for Fairgrounds / Dunbar area - Helena)

Type of Project: Water Improvements

CDBG Amount: \$ 254,097

Other Funds: \$ 375,909 MDEQ – State Revolving Loan Fund
 \$ 596,420 TSEP – Grant
 \$ 100,000 RRGL – Grant
 \$ 79,077 Mill Levy Election
\$ 44,134 AGC Laborer’s Training Private Funds

Project Total: \$ 1,449,637

SUMMARY: The Fairgrounds/Dunbar project area includes the Lewis and Clark County Fairgrounds, Woodlawn Park Addition, and Associated General Contractors (AGC) and Laborer’s Training Facility. The fairgrounds is served by city water and by two wells; 52 properties in the Woodlawn Park Addition rely on individual water wells. Major problems have been identified. The proposed project is phase two of a two-phase project involving both the water and the wastewater systems for this area. Phase I connected the Fairgrounds/Dunbar area to Helena’s wastewater system. In the second phase, the area would be connected to the city’s water system. CDBG funds would be split between general water system

improvements for the area, payment of system development fees, service line hook-up costs, and payment of RSID assessments for approximately 26 LMI households.

Community Information

Population Served:.....	120
Number of Households:	40
Benefit to LMI Households:.....	65%
Number of Hookups:	87
Projected Combined Water & Wastewater Monthly Rate with CDBG:	\$62.20/mo.
Variance from Target Rate:.....	101%

Applicant:	TOWN OF BAINVILLE	
Type of Project:	Wastewater System Improvements	
CDBG Amount:	\$ 450,000	
Other Funds:	\$ 715,000	TSEP – Grant
	\$ 100,000	MDNRC
	\$ 153,608	MDEQ – State Revolving Loan Fund
	\$ 20,000	Town – Cash
	\$ 15,000	TSEP – Planning Grant
	\$ 15,000	CDBG – Planning Grant
Project Total:	<u>\$ 1,468,608</u>	

Summary: The town's wastewater collection system, constructed in the 1950s, consists predominately of 8" clay tile. In 1999, 15-20% of the pipe was replaced, along with the lift station. The lagoons were constructed in 1975, but no lining was installed. In 2004, the MDEQ noted concerns about leakage, severe erosion of the lagoon dikes, and possible imminent failure of the dikes and outflow of 30 years of sludge. The clay tile pipe leaks excessively. Inspections in 2005 and 2006 demonstrated a high groundwater table and high infiltration at the northeastern parts of town. The project proposes clearing and videotaping all sewer lines, replacing an estimated 2,400 feet of sewer lines, constructing a new three-cell facultative system, providing a liner for all cells, land disposal of sludge, and providing for final wastewater disposal through irrigation.

Community Information

Population Served:.....	153
Number of Households:	72
Benefit to LMI Households:.....	62%
Number of Hookups:	78
Projected Combined Water & Wastewater Monthly Rate with CDBG:	\$81.87/mo.
Variance from Target Rate:.....	176%

Applicant:	CITY OF HARLEM	
Type of Project:	Water System Improvements	
CDBG Amount:	\$ 450,000	
Other Funds:	\$ 750,000	TSEP – Grant
	\$ 1,030,000	MDEQ – SRF Loan
Project Total:	<u>\$ 2,230,000</u>	

Summary: Harlem's water treatment plant treats raw water from the Milk River, and the city has been making needed improvements over the years: However, the water system currently has multiple problems that need to be addressed: The proposed project will solve these problems and includes expanding the wet well, raising the pump station above the floodplain, treating the water pipeline for pump lubrication,

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adding piping for settling ponds, replacing the motor control centers, replacing the telephone alarm dialer, purchasing a new radio telemetry system, replacing 1,250 feet of 10-inch diameter yard piping with over six feet of cover, installing microfiltration, two new pumps, chlorine detector and lighting, and venting the treatment plant.

Community Information

Population Served:.....	848
Number of Households:	332
Benefit to LMI Households:.....	60%
Number of Hookups:	450
Projected Combined Water & Wastewater Monthly Rate with CDBG:	\$54.12/mo.
Variance from Target Rate:.....	110%

Applicant: CASCADE COUNTY (on behalf of Upper/Lower River Road Water & Sewer District)

Type of Project: Water Distribution / Wastewater Collection

CDBG Amount: \$ 450,000

Other Funds: \$ 500,000 TSEP – Grant
 \$ 100,000 MDNRC – RRGL Program
 \$ 619,400 MDEQ – SRF Loan
\$ 332,000 City CDBG

Project Total: \$ 2,001,400

Summary: Upper/Lower River Road Water & Sewer District began developing in 1917 and there are now eight subdivisions and five mobile home parks in the district with on-site water and wastewater systems. A study sponsored by the MDEQ and the City-County Health Department (CCHD) in 1997-98 found high levels of nitrate and ammonia in drinking water wells. There have been numerous drinking water quality complaints from small public system users, and several boil orders issued over the years. On-site wastewater systems are degrading area wells and groundwater quality. MDEQ and CCHD require this situation to be corrected as soon as possible. This project (Phase 2 of a longer-term project) proposes installation of 25,700 feet of 8" PVC sewer lines, 23,200 feet of 8" PVC water mains, installation of water meters, and connection to the Great Falls-owned water transmission and sewer trunk lines that already exist within the district boundary.

Community Information

Population Served:.....	327
Number of Households:	121
Benefit to LMI Households:.....	100%
Number of Hookups:	121
Projected Combined Water & Wastewater Monthly Rate with CDBG:	\$63.58/mo.
Variance from Target Rate:.....	102%

Applicant: TOWN OF PINESDALE

Type of Project: Water System Improvements

CDBG Amount: \$ 450,000

Other Funds: \$ 750,000 TSEP Grant
 \$ 100,000 MDNRC
 \$ 115,000 USDA RD – Grant
\$ 345,000 USDA RD - Loan

Project Total: \$ 1,760,000

Summary: The town of Pinesdale built a water storage tank in 1966 and later added an additional tank for more storage. The current water, filtration, and chlorination system was developed in 1996-1998. Serious problems have surfaced since the water system was constructed with little planning and no consideration for fire protection. Because of inadequate water and fire protection storage, under-sized mains, and limited hydrants, the town has no residential fire protection. Phase 1 improvements, focusing on the water distribution system, would include removal of the southwest tank; installation of a new tank adjacent to the water treatment plant, pressure-reducing valves throughout the distribution system, and a water line from the new tank to the location of the southwest tank; and the addition of several hydrants. Phase 2 corrections, focusing on the water system, would include replacing 4" mains with larger mains; adding blow offs to dead end water mains; and installing a water metering system.

Community Information

Population Served:.....	829
Number of Households:	140
Benefit to LMI Households:.....	76.2%
Number of Hookups:	154
Projected Combined Water & Wastewater Monthly Rate with CDBG:	\$60.00/mo.
Variance from Target Rate:.....	128%

Applicant:	TOWN OF EKALAKA
Type of Project:	Water and Wastewater Improvements
CDBG Amount:	\$ 450,000
Other Funds:	\$ 706,369 TSEP – Grant
	\$ 100,000 MDNRC – Grant
	\$ 156,369 USDA RD or MDEQ SRF - Loan
Project Total:	<u>\$ 1,412,738</u>

Summary: The town of Ekalaka has addressed its water and wastewater systems improvements needs by securing grants and loans to drill a well, replace hydrants, aerate and disinfect the lagoon, replace sewer lines, and video-inspect and clean the entire wastewater system. However, many sewer system lift station problems remain and a system video inspection report revealed numerous deficiencies. The proposed solution includes replacing portions of the Main Street water main and sewer main, tying into the existing sewer main south of Main Street and Mormon Avenue, updating the main lift station's controls, replacing the single pump lift station, and replacing the water main from Mormon Avenue to the water storage reservoirs.

Community Information

Population Served:.....	410
Number of Households:	195
Benefit to LMI Households:.....	65%
Number of Hookups:	239
Projected Combined Water & Wastewater Monthly Rate with CDBG:	\$51.72/mo.
Variance from Target Rate:.....	151%

Applicant:	TOWN OF JORDAN
	*Re-application due to partial funding from FFY 2007 (see page 11 for additional information about re-application procedures for partially funded projects)
Type of Project:	Sewer Project

PART I-SECTION B: INVESTMENT OF AVAILABLE RESOURCES

CDBG Amount Requested: \$ 450,000
CDBG Amount Awarded: \$ **121,320**
Other Funds: \$ 700,000 TSEP – Grant
 \$ 100,000 MDNRC – Grant
 \$ 142,953 MDEQ - SRF Loan
 \$ 15,000 Town of Jordan
 \$ 15,000 TSEP – PER Grant
Project Total: **\$ 1,094,273**

Summary: See Summary for 2008 Town of Jordan application (page 11)

Community Information

Population Served:..... 364
 Number of Households: 275
 Benefit to LMI Households:.....56.3%
 Number of Hookups: 272
 Projected Combined Water & Wastewater Monthly Rate with CDBG: \$46.48/mo.
 Variance from Target Rate:..... 100%

Applicant: **GALLATIN COUNTY** (on behalf of Rae Water & Sewer Dist)

Type of Project: Sewer Project

CDBG Amount Requested: \$ 450,000
CDBG Amount Awarded: \$ **121,320**
Other Funds: \$ 750,000 TSEP – Grant
 \$ 100,000 MDNRC - Grant
 \$ 167,750 District Reserve/Developer Fees
 \$ 140,301 DWSRF (State Revolving Loan Fund)
Project Total: **\$ 1,279,371**

Summary: The Rae Water and Sewer District, incorporated in 1977, has several major water system problems. The proposed project's improvements would include constructing a new 380,000-gallon water storage tank, upgrading the existing computer monitoring system to include the water system, installing a new 8" water main through a trailer court, and installing a new 6" raw water line from the main wells to the tank.

Community Information

Population Served:..... 772
 Number of Households: 314
 Benefit to LMI Households:.....57.5%
 Number of Hookups: 348
 Projected Combined Water & Wastewater Monthly Rate with CDBG: \$51.01/mo.
 Variance from Target Rate:..... 131

CDBG FFY 2008 Housing Project Applications

(Application Deadline: December 7, 2007)

Applicant: **CITY OF LEWISTOWN**

Type of Project: Housing Rehabilitation

CDBG Amount Requested: **\$ 450,000**
Other Funds: **\$ 3,825** Local contribution
Project Total: **\$ 453,825**

Summary: Lewistown lacks good affordable housing/rentals and has poor quality homes and rentals. According to the 2000 census, 40.6% of the homes were built before 1940; 66.2% before 1960 and many need major rehabilitation to provide decent housing and to help provide suitable living environments that will allow the city to seek out additional economic opportunities. This project proposes rehabilitation assistance to 20 owner-occupied units that are in moderately or severely substandard condition, addressing basic housing code deficiencies and weatherization; and demolition and clean up of up to two dilapidated structures.

Applicant: **PARK COUNTY**, on behalf of Park County Senior Citizens Center
Type of Project: Rehabilitation of Senior Center
CDBG Amount Requested: **\$ 450,000**
Other Funds: **\$ 490,000** Sky Federal Credit Union Loan
 \$ 500,000 HOME Program Grant
 \$ 125,000 Park County Senior Citizens Center Corporation
 \$ 25,000 Park County Commissioners
 \$ 15,705 Local Fundraising
Project Total: **\$ 1,605,705**

Summary: Park County, on behalf of the Park County Senior Citizens Center Corp., proposes to rehabilitate the senior center building, formerly the Yellowstone Hotel built in 1910. The facility has not had significant work since the 1970's, when the second floor apartments were renovated and the elevator and shaft were installed. The senior center provides 24 affordable apartments to low- and moderate-income seniors, 55 years and older. Extensive rehabilitation of the building is needed to eliminate serious and immediate threats to public health and safety and address issues of building life-safety, ADA accessibility, structural, mechanical and electrical deficiencies, asbestos removal, and installation of a fire suppression and fire alarm system.

Applicant: **CITY OF RED LODGE**
Type of Project: Acquisition and Infrastructure Improvements of Mobile Home Park
CDBG Amount Requested: **\$ 450,000**
Other Funds: **\$ 500,000** HOME Program Grant
 \$ 660,000 Montana Board of Housing Loan
 \$ 15,000 CDBG Planning Grant
 \$ 5,000 Carbon County
 \$ 16,600 City of Red Lodge
 \$ 200,000 USDA Rural Development Loan
 \$ 280,000 HOME Program Single Family Pilot Program Loan
 \$ 46,000 Montana HomeOwnership Network Loan
 \$ 880,000 USDA/RD, MBOH, FHA, VA, Conventional Loan
 \$ 325,500 Other Private Grants
Project Total: **\$ 3,378,100**

Summary: the Montana Homeownership Network (MHN) will purchase the Mountain View Mobile Home Park in Red Lodge, which has fallen into disrepair. Multiple funding sources will be coordinated to preserve this affordable source of housing in Red Lodge. MHN purchased the park in January 2008 while the residents are completing the formation of an association, which will eventually own and manage the

PART I-SECTION B: INVESTMENT OF AVAILABLE RESOURCES

park for the members of the association. Site and infrastructure improvements will be undertaken to pave roads, improve water and sewer lines, and the drainage within the property. Individual homes will be placed on permanent foundations and organized in such a way that all residents will have a safe, attractive, decent and affordable place to live. Individual homes that do not currently meet HUD standards will be replaced and decommissioned.

Applicant:	TOWN OF SUPERIOR
Type of Project:	Mobile Home Park Acquisition and Conversion
CDBG Amount Requested:	\$ 388,749
Other Funds:	\$ 780,000 Montana Board of Housing \$ 500,000 HOME Program Grant \$ 30,000 District XI Human Resource Council Grant \$ 90,000 First Security Bank Loan <u>\$ 60,000</u> Montana Mobile Home Replacement Pilot Project
Project Total:	<u>\$ 1,848,749</u>

Summary: In order to prevent potential displacement and homelessness, District XI HRC acquired a 19-unit, overcrowded, and poorly maintained mobile home park to convert into an affordable, attractive, owner-occupied, 12-unit neighborhood using the community land trust model. The proposed project will reconfigure site infrastructure, provide landscaping, decommission dilapidated mobile home rental units, place new manufactured housing on permanent foundations that meet MBOH, Rural Development, and/or FHA financing requirements, and provide homebuyer assistance in the form of lower interest rate MBOH and RD first mortgages and deferred payment second mortgage financing. As a result of site renovation and the decrease in density, the project may involve both temporary and permanent relocation

Applicant:	CITY OF WOLF POINT
Type of Project:	Housing Rehabilitation, Down Payment Assistance, and Demolition
CDBG Amount Requested:	\$ 450,000
Other Funds:	\$ 10,000 NeighborWorks Grant \$ 45,720 HOME Program Grant \$ 5,000 Great Northern Development Corp. Grant \$ 29,137 Wolf Point Program Income \$ 15,000 USDA Rural Development Loan <u>\$ 30,000</u> Local Lenders
Project Total:	<u>\$ 584,857</u>

Summary: The City of Wolf Point proposes to revitalize the housing stock within the community for the elderly, disabled and very low-income. According to the Montana Housing Condition Survey, out of 808 homes, 533 were built before 1959, with 151 of those built before 1939 and consisted of fair to poor quality and workmanship. The city has a high percentage of elderly and disabled residents. According to the 2000 census, 13% of the population was over 65 years of age and by 2005 had increased to 15.7%, with 21.5% of the females over 65 living in poverty. This proposed project would include conducting an historic inventory; demolishing six vacant, severely substandard properties; providing energy conservation and housing rehabilitation assistance to 22 owner-occupied or rental units; and providing down payment assistance to two first-time homebuyers.

CDBG FFY 2007 Housing Project Awards*(Application Deadline: December 8, 2006)*

Applicant: **BUTTE-SILVER BOW COUNTY**

Type of Project: Gilder House Crisis Facility

CDBG Amount Requested: \$ **450,000**

Other Funds: \$ 220,000 Montana Board of Housing Loan
\$ 150,000 URA Grant
\$ 50,000 Butte-Silver Bow Land Donation

Project Total: **\$ 870,000**

Summary: The proposed project is to construct "Gilder House", which will provide three distinct types of care for psychiatric crisis stabilization: 1) secure beds; 2) voluntary beds; and 3) social detox. Gilder House will provide community-based care for persons whose mental illness has risen to an acute psychiatric crisis and who may be suicidal. Experienced mental health professionals trained specifically to treat persons in crisis will provide 24/7 care. The new Gilder House will provide a safe haven those most in need of complex care and outreach to the untreated mentally ill with a co-occurring addiction.

Applicant: **LEWIS & CLARK COUNTY** (in partnership with Rocky Mountain Development Council)

Type of Project: Rehabilitation of Eagles Manor II

CDBG Amount Requested: \$ **450,000**

Other: \$ 272,000 Mountain West Bank
\$ 500,000 HOME Program – Grant
\$ 4,725,000 MBOH Low Income Housing Tax Credit
\$ 115,140 Developer Note RDC – Loan
\$ 271,360 HUD - Mortgage Restructuring Loan
\$ 56,140 HUD Contingent Repayment Mortgage Note - Loan

Project Total: **\$ 6,369,640**

Summary: The proposed project will provide needed repairs on the Eagles Manor II building, which was built in 1976 and has been rated "substantially sub-standard". The building does not meet fire code and accessibility standards; the roof, heating and cooling system have exceeded their life expectancy and are energy inefficient and are costly to repair and maintain; and the plumbing does not meet current building codes. Renovation of the building is necessary to meet the growing demand for safe elderly/disabled housing in this area. Rehabilitation will also solve cash flow problems currently experienced by the property by reducing the number of efficiency units that are no longer in demand and increasing the number of one-bedrooms for which great need exists in the Helena area.

Applicant: **Town of Circle**

Type of Project: Housing Revitalization

CDBG Amount Requested: \$ **450,000**

Other Funds: \$ 10,000 NeighborWorks - grant
\$ 45,720 HOME Program - grant
\$ 5,000 Great Northern Development Corporation (GNDC) - grant
\$ 8,292 Town of Circle Program Income
\$ 15,000 Rural Development – Direct Loans
\$ 30,000 Local Lenders

Project Total: **\$ 564,012**

Summary: The town has inadequate housing because of long-term deterioration and a lagging economy. The typical house was built before 1959, is in sub-standard condition, and was built of low quality and low cost materials and workmanship. Of 311 units, 218 were built in 1959 or earlier and 174 are in fair to unsound condition. Approximately 124 owner-occupied units require some rehabilitation. The proposed project includes conducting an historic inventory; demolishing 6 vacant, severely substandard properties; addressing basic code deficiencies; providing energy conservation assistance and housing rehabilitation assistance to 16 housing units occupied by low- or moderate-income residents; and providing down payment assistance to two first-time homebuyers. The town has a high percentage of elderly and disabled residents, 20.4% compared to the state average of 17.5%. As the population ages, housing rehab will become more important to sustain the current population, bring others into the community, encourage growth, and improve the aesthetics of the community.

FFY 2007 CDBG Economic Development Project Awards

(Open cycle)

Locality: TOWN OF WESTBY

Name of Company: New Century Ag

Project Location: Westby

Financing Date: 05/03/2007

CDBG Funds:

Grant Admin.	\$	18,000	
Infrastructure Grant	\$	225,000	

Other Funds:

	\$	25,000	BSTF
	\$	25,000	WIRED
	\$	8,000,000	Cofina
	\$	15,000,000	Cofina LOC
	\$	<u>1,000,000</u>	New Century Ag

Total Project **\$ 24,293,000**

Job Creation: 5 New FTEs
4 Retained FTEs

LMI Jobs: 5 FTEs

Use of CDBG Funds: CDBG-ED funds through the Town of Westby will be used to fund construction costs related for road, water and sewer infrastructure and electrical services in support of New Century Ag's construction of a new office space and grain elevator. This business retention project is expected to retain 4 FTEs and create 5 new FTEs.

Locality: PONDERA COUNTY

Name of Company: Intercontinental Truck Body (ITB)

Project Location: Conrad

Financing Date: 05/03/2007

CDBG Funds:

Grant Admin.	\$	32,000	
Loan	\$	368,000	

Other Funds:

	\$	96,095	WIRED
	\$	<u>464,095</u>	Wells Fargo Bank

Total Project **\$ 960,191**

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Job Creation: 15 New FTEs

LMI Jobs: 15 FTEs

Use of CDBG Funds: Sweetgrass Development Corporation through Pondera County will provide a loan to ITB for equipment and inventory purchases to fulfill a US military contract for truck bodies. ITB proposes to create 15 full time equivalent jobs, all of which will be filled by low- and moderate-income persons. This is a business expansion project.

Locality: BUTTE-SILVER BOW COUNTY

Name of Company: Masters Group International

Project Location: Butte

Financing Date: 06/18/2007

CDBG Funds:

Grant Admin. \$ 16,000

Loan \$ 200,000

Other Funds: \$ 200,000 New Equity
 \$ 463,770 Commercial Loan
 \$ 122,000 URA Grant

Total Project **\$ 1,001,770**

Job Creation: 18 New FTEs

LMI Jobs: 13 FTEs

Use of CDBG Funds: Funds will be used as a working capital loan to Masters for new machinery and equipment purchases. Masters intends to open a distribution center for its office products manufacturing facility.

Locality: LAKE COUNTY

Name of Company: Ashley Martin

Project Location: Arlee

Financing Date: 06/18/2007

CDBG Funds:

Grant Admin. \$ 16,000

Loan \$ 200,000

Other Funds: \$ 200,000 Designers for Health

Total Project **\$ 416,000**

Job Creation: 11 New FTEs

LMI Jobs: 6 FTEs

Use of CDBG Funds: Funds will be used as a working capital loan. Ashley Martin proposes to create 11 new jobs, six of which would be made available to LMI for its natural supplements facility.

Locality: LINCOLN COUNTY & CITY OF LIBBY

Name of Company: Revett Minerals

Project Location: Libby

Financing Date: 06/18/2007

PART I-SECTION B: INVESTMENT OF AVAILABLE RESOURCES

CDBG Funds:

Grant Admin. \$ 24,000
 Loan \$ 300,000

Other Funds: \$ 68,609 Kootenai Business Park
 \$ 231,391 USDA RD REDLG

Total Project **\$ 624,000**

Job Creation: 30 New FTEs

LMI Jobs: 30 FTEs

Use of CDBG Funds: The county, through Kootenai Economic Development, will grant up to \$300,000 of CDBG-ED economic development funds to upgrade the rail spur and electrical meters in support of Revett Minerals and other Kootenai Business Park tenants. The business has projected 30 full time equivalent jobs will be created, all of which will be made available to or filled by low- and moderate-income persons. This is a business expansion project.

Locality: LAKE COUNTY

Name of Company: Tire Depot, Inc.

Project Location: Polson

Financing Date: 08/13/2007

CDBG Funds:

Grant Admin. \$ 14,720
 Loan \$ 169,280

Other Funds: \$ 150,000 LCCDC
 \$ 284,768 MEDC
 \$ 430,000 Tire Depot

Total Project **\$ 1,048,768**

Job Creation: 8.5 New FTEs

LMI Jobs: 5.0 FTEs

Use of CDBG Funds: LCCDC will loan CDBG-ED funds to Tire Depot, Inc. for equipment purchases related to its expansion. Tire Depot has projected 8.5 full time equivalent (FTE) jobs will be created, five of which will be filled by low- and moderate-income persons.

Locality: POWELL COUNTY

Name of Company: Sun Mountain Lumber

Project Location: Deer Lodge

Financing Date: 11/19/2007

CDBG Funds:

Grant Admin. \$ 19,685
 Training Grant \$ 200,000
 Loan \$ 180,315

Other Funds: \$ 400,000 Headwaters RC&D
 \$ 730,410 Sun Mountain Lumber (equity of LOC)

Total Project **\$ 1,048,768**

Job Creation: 27.00 New FTEs

LMI Jobs: 13.75 FTEs

Use of CDBG Funds: Headwaters RC&D will loan \$180,563 of CDBG-ED funds to Sun Mountain Lumber, a lumber mill located in Deer Lodge, for working capital, and a grant for incumbent worker training. Sun Mountain Lumber has projected 27 full time equivalent jobs will be created, of which 51% will be held by low- and moderate-income persons. In addition, 41 employees will be trained.

FFY 2007 EDA/RLF Project Awards

Entity: OPPORTUNITY LINK

Project Location: Great Falls

Financing Date: 3/20/2007

EDA/CDBG RLF Funds: \$8,400

Use of Funds: EDA/CDBG RLF funds assisted Opportunity Link with contracting with Heartland Center for Leadership Development to provide two training courses in tribal economic development and small town business development to economic development professionals, tribal representatives, and local government contacts.

HOME Program FFY 2007 Competitive Project Awards

(Application Deadline: February 16 2007)

Applicant: CITY OF WHITEFISH

HOME Request/Award: \$ 500,000

Total Project Budget: \$ 2,709,150

Summary: In partnership with the Whitefish Housing Authority, the City will use HOME funds for acquisition of 10 existing and soon-to-be constructed homes in Whitefish for subsequent purchase by residents with incomes at or below 80% of the area median income. All homes are being acquired at prices ranging from \$160,000 to \$250,000, and will be sold to participating homebuyers at an affordable price. A resale restriction will ensure a fair return to a participating homebuyer at the time he/she sells the home, while ensuring the purchase price is affordable to the successive low-income homebuyer.

Applicant: CITY OF LEWISTOWN

HOME Request/Award: \$ 500,000

Total Project Budget: \$ 3,652,599

Summary: The City of Lewistown will use HOME funds for Ouellette Place, a 24-unit affordable rental housing facility for low-income families. The project involves the new construction of two buildings and the redevelopment/renovation of an existing historic building. The facility will provide one-, two- or three-bedroom units with appliances, decks or patios, and outdoor common space for resident use.

Applicant: MONTANA HOMEOWNERSHIP NETWORK

HOME Request/Award: \$ 500,000

Total Project Budget: \$ 2,622,500

Summary: MHN will use HOME funds to acquire, rehabilitate, and upgrade an existing mobile home park in Red Lodge to maintain it as a source of affordable housing. The 5-acre park will contain 30 homeowner units and will be owned cooperatively by a nonprofit homeowner association. Residents will each have a 75-year lease on their lot, allowing residents to secure conventional financing to acquire new

manufactured housing to replace their aging, inefficient units if necessary. Units will be placed on permanent foundations, thus converting the homeowner housing from personal to real property.

Applicant: homeWORD
HOME Request/Award: \$ 291,912
Total Project Budget: \$ 8,311,747

Summary: homeWORD will redevelop Liberty Lanes in Missoula into a mixed use, mixed-income infill project. The apartment project will include 35 rental units targeting households with incomes between 31% and 50% of AMI. The affordable rental units will include a mix of five studio apartments, 20 1-bedroom units, and 10 2-bedrooms units. Six of the rental units will meet 504 accessibility standards and all units will meet Universal Design standards for physical accessibility. The proposed project will also incorporate green building methods for energy efficiency, reduction of construction waste, and creation of a less toxic environment for residents. Also proposed are 35 (non-HOME) market rate homeownership units and 10,000 square feet of commercial space.

Applicant: ACTION FOR EASTERN MONTANA
HOME Request/Award: \$ 300,000
Total Project Budget: \$ 2,278,045

Summary: AEM, in partnership with the Dawson County Economic Development Council, will construct Makoshika Estates, an 18-unit affordable senior apartment project in Glendive. The facility will have 12 one-bedroom apartments and 6 two-bedroom apartments and serve seniors 55 years of age or older with incomes at or below 50 and 60 percent of the area median income. Nine units will be home-assisted. The project proposes to include a variety of energy star-compliant building components and green building construction materials.

HOME Program Single Allocation Family Pilot Program

The HOME program instituted the three-year Single Family Allocation Pilot Program, beginning June 1, 2006, for homebuyer assistance and homeowner rehabilitation programs. The HOME program allocated approximately half of its 2006 (\$1,987,454) and 2007 (\$2,048,507) allocations to the SFAPP, distributed among eleven regions of the state according to a formula. As of March 31, 2008, HOME had committed \$1,839,404 (92.6%) of the 2006 pilot program allocation to individual activities and expended \$1,623,978 (81.7%); of the 2007 pilot program allocation to individual activities, \$41,298 (2%) had been committed and expended. Fourteen entities, at least one in each district, were qualified to access the SFAPP funds.

Entities Qualified for the Single-Family Allocation Pilot Program as of March 31, 2008

District / Qualified Entity	Contact Information			Program Boundaries	Eligible Activities
	Administrator	Phone	Address		
District 2					
Great Northern Development Corp.	Audrey Pipal, GNDC	406-653-2590	233 Cascade St Wolf Point 59201	Daniels, Garfield, McCone, Roosevelt, Sheridan, Valley Counties	Homeowner rehabilitation

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District / Qualified Entity	Contact Information			Program Boundaries	Eligible Activities
	Administrator	Phone	Address		
District 3					
Town of Ekalaka	Julie Jones, Single-Tree Consulting	406-662-3438	P.O. Box 147 Bridger, MT 59014	Within Ekalaka city limits	<ul style="list-style-type: none"> ▪ Homeowner rehabilitation
District 4					
City of Malta	Kathleen Lumsden, Black Coulee Co.	406-654-2051	P.O. Box 591 Malta 59538	With in Malta city limits	<ul style="list-style-type: none"> ▪ Homebuyer down payment & closing cost assistance ▪ Homeowner rehabilitation
District 5					
City of Shelby	Lorette Carter, City of Shelby	406-424-8799	112 1st St. S. Shelby 59474	Within Shelby city limits	<ul style="list-style-type: none"> ▪ Homebuyer down payment & closing cost assistance ▪ Homeowner rehabilitation
District 6					
District VI HRDC	Shelene Reno, District VI HRDC	406-535-7488	300 1 st Ave N Suite 203 Lewistown 59457	Fergus, Golden Valley, Judith Basin, Musselshell, Petroleum, Wheatland Counties	<ul style="list-style-type: none"> ▪ Homebuyer down payment & closing cost assistance ▪ Homeowner rehabilitation
District 7					
Town of Bridger	Julie Jones, Single-Tree Consulting	406-662-3438	P.O. Box 147 Bridger 59014	Within Bridger city limits	<ul style="list-style-type: none"> ▪ Homebuyer down payment & closing cost assistance ▪ Homeowner rehabilitation
District VII HRDC	Mark Maher, District VII HRDC	406-247-4752	7 North 31 st St Billings 59101	Big Horn, Carbon Stillwater, Sweet Grass, Yellowstone Counties	<ul style="list-style-type: none"> ▪ Homebuyer down payment & closing cost assistance
City of Red Lodge	Julie Jones, Single-Tree Consulting	406-662-3438	P.O. Box 147 Bridger 59014	Within Red Lodge city limits	<ul style="list-style-type: none"> ▪ Homebuyer down payment & closing cost assistance
District 8					
National Affordable Housing Network	Barbara Miller, NAHN	406-782-8145	PO Box 3706 Butte 59702	Jefferson County	<ul style="list-style-type: none"> ▪ Homebuyer down payment & closing cost assistance
Rocky Mountain Development Council	Christie Killeen, RMDC	406-442-1236 ext 104	P.O. Box 717 Helena 59624	Greater Helena area of Lewis & Clark County	<ul style="list-style-type: none"> ▪ Homebuyer down payment & closing cost assistance
District 9					
District IX HRDC	Tracy Menez, HRDC IX	406-587-4486	32 S Tracy Ave Bozeman 59715	Gallatin, Meagher, Park Counties	<ul style="list-style-type: none"> ▪ Homebuyer down payment & closing cost assistance ▪ Homeowner rehabilitation
District 10					
Glacier Affordable Housing Foundation	Lynn Moon, GAHF	406-758-7741	202 Main St. Kalispell 59901	Flathead County	<ul style="list-style-type: none"> ▪ Homebuyer down payment & closing cost assistance
Lake County CHDO	Lake County CHDO	406-676-5901	407 Main St SW PO Box 128 Ronan 59864	Lake County	<ul style="list-style-type: none"> ▪ Homebuyer down payment & closing cost assistance

District / Qualified Entity	Contact Information			Program Boundaries	Eligible Activities
	Administrator	Phone	Address		
District 11					
District XI HRC	Jim Morton, HRC XI	406-728-3710	1801 S. Higgins Missoula 59801	Mineral, Missoula, Ravalli Counties	<ul style="list-style-type: none"> ▪ Homebuyer down payment & closing cost assistance ▪ Homeowner rehabilitation
District 12					
National Affordable Housing Network	Barbara Miller, NAHN	406-782-8145	PO Box 3706 Butte 59702	Butte-Silver Bow, Beaverhead, Powell Counties	<ul style="list-style-type: none"> ▪ Homebuyer down payment & closing cost assistance

Emergency Shelter Grant Program

ESG funds are distributed to HRDCs throughout Montana for supported shelters across the state as well as for direct services from HRDCs to ESG recipients. Actual funding received and funding used matched the funds anticipated.

The HRDCs utilize the funds to meet the needs of the homeless or those at risk of homelessness at the local level. Activities include: prevention of homelessness; assistance to shelters for the homeless and victims of domestic and sexual violence, youth homes, and food banks; support for essential services; financial assistance for case management; support for toll free telephone referral hotlines for domestic abuse and other homeless individuals and families; and referral to mainstream resources.

Agencies participate in essential service activities by working with other state, faith- and community-based organizations and through direct assistance for individuals and families. This is a limited amount of flexible funds that can be used to support direct service providers who together meet the locally defined needs of the homeless.

The following table presents the distribution of funds for May 1, 2007- April 30, 2008²:

EMERGENCY SHELTER GRANTS 05/01/2007 – 04/30/2008		
AGENCY	HUD FUNDING	SERVICES
Action for Eastern Montana – Glendive	\$ 38,069	<p><u>Essential Services</u>: Staff advocates for, makes referrals for, and acts as liaison between homeless individuals and social services agencies by coordinating Emergency Services efforts with local groups.</p> <p><u>Shelter Maintenance</u>: Shelter rent, furnishings, utilities, insurance, and maintenance for Matthew House, Sidney, and New Life Mission, Poplar.</p> <p><u>Homeless Prevention Activities</u>: One-time payment for utilities, rent, or deposits for families facing eviction/shut-off. Security deposits to enable families to move into a dwelling of their own. Assistance must be required as the result of a sudden reduction in income, to avoid termination of utilities or eviction and the family must be able to resume payments within a reasonable time. Assistance will not supplant funding for pre-existing homeless prevention activities from any other sources.</p>

² The ESG contract year with its subgrantees runs from May 1 to April 30.

PART I-SECTION B: INVESTMENT OF AVAILABLE RESOURCES

EMERGENCY SHELTER GRANTS 05/01/2007 – 04/30/2008		
AGENCY	HUD FUNDING	SERVICES
District IV HRDC – Havre	\$ 13,335	<u>Essential Services:</u> Services provided include support groups, individual support, referral and advocacy, and transport. <u>Shelter Maintenance:</u> Maintenance, operation, administration, repairs, security, insurance, utilities, telephone, and furnishing of the Haven, a shelter for women and children left homeless because of domestic abuse. <u>Homeless Prevention Activities:</u> Rent, deposits, or utility services to facilitate homeless families transition to permanent shelter, temporary or emergency shelter costs for transient homeless.
Opportunities, Inc. - Great Falls	\$ 51,559	<u>Essential Services:</u> Advocate and mentor to prevent eviction and/or obtain permanent housing for 20 households; refer 12 to job service / training; refer to life skill training, e.g., budgeting, self-esteem, stress management for 15 individuals <u>Shelter Maintenance:</u> Provide maintenance to Agape Youth Investment Center, Mercy Home and Childrens Receiving Home through facility repair and/or equipment repair, update or replacement. <u>Homeless Prevention Activities:</u> Provide shelter and/or prevent eviction for 50 households.
District VI HRDC – Lewistown	\$ 10,528	<u>Homeless Prevention Activities:</u> Homeless prevention activities in the form of rent or mortgage assistance and utility termination prevention services.
District VII HRDC – Billings	\$ 63,653	<u>Essential Services:</u> Work with community groups to coordinate housing activities and projects. Assist people to move out of Women & Family Shelter into permanent housing. <u>Shelter Maintenance:</u> Support the operation of shelters providing temporary housing and emergency shelter <u>Homeless Prevention Activities:</u> Direct service dollars used as a last resort to maintain or retain housing for low-income families.
Rocky Mountain Development Council – Helena	\$ 25,479	<u>Essential Services:</u> Contract with Helena Indian Alliance (Leo Pocha Clinic) to provide medical and medically related services to homeless individuals and families. <u>Shelter Maintenance:</u> Contract with three emergency shelters (The Friendship Center, God's Love, Inc., Montana Youth Homes) to provide shelter and related services to homeless individuals and families.
District IX HRDC – Bozeman	\$ 33,330	<u>Essential Services:</u> Teach Encourage Assist & Model (TEAM Mentoring) will assist 5-8 individuals being released from prison to obtain employment, permanent housing, and address barriers to building positive relationships. Funds used by HRDC Housing Advocates for assistance in securing permanent housing and obtaining other federal, state or local support services for persons living on the street, in emergency shelter, or in transitional housing. <u>Shelter Maintenance:</u> Funds used to reimburse allowable shelter operational costs for the Network Against Violence, TEAM Mentoring, HRDC Transitional Housing for homeless persons. Family Promise uses funds for shelter maintenance, repairs, operation, security, fuel equipment, utilities and furnishings for homeless shelter. <u>Homeless Prevention Activities:</u> Funds used to stop foreclosure, eviction or utility disconnects.
Northwest Montana Human Resources - Kalispell	\$ 56,220	<u>Essential Services:</u> Case management services to homeless and transitional families provided by NMHR and area providers <u>Shelter Maintenance:</u> Funds subgranted to area homeless shelters. <u>Homeless Prevention Activities:</u> Funds provided by NMHR and/or subgranted to area providers of short term subsidies for emergency shelter
District XI HRC – Missoula	\$ 56,784	<u>Essential Services:</u> Salvation Army Ravalli County and HRC Mineral County Emergency Shelter receive funds. <u>Shelter Maintenance:</u> Poverello Center, YWCA Pathways, Youth Homes-Missoula & Ravalli Counties, Supporters of Abuse Free Environments, Stephens House receive funds. <u>Homeless Prevention Activities:</u> 2-1-1/First Call for Help Information and Referral Telephone Line are funded.
District XII HRDC – Butte	\$ 29,372	<u>Shelter Maintenance:</u> Funds support Homeward Bound, a transitional housing program for homeless families and individuals that provides food and shelter along with supportive services to help them achieve self-sufficiency. Uses will include maintenance, repair, utilities and furnishings.
TOTAL	\$ 378,329	

Housing Opportunities for Persons With AIDS (HOPWA)

Although the tri-state HOPWA reports to HUD, a summary of its results is presented here as requested by HUD and for informational purposes. The Tri-State HELP programs for the two regions of Montana, Billings in the east and Missoula in the west, were awarded a combined total of approximately \$722,764 over the three-year period. This includes supportive services and sponsor administration and \$168,580 annually for rental assistance and short-term emergency assistance. The HOPWA program provides tenant based rental assistance, emergency assistance, and housing coordination services to individuals living with HIV/AIDS in Montana through the management of the Yellowstone AIDS Project (YAP) in Billings and the Missoula AIDS Council (MAC).

Additionally a three year grant called the Tri-State HELP Plus grant provided an additional \$874,586 over a three year-period. This includes supportive services and sponsor administration and \$204,430 annually for rental assistance and short-term emergency assistance.

Data collected by the YAP and the MAC housing coordinators for the TRI-State HELP and Tri-State HELP Plus grants are presented in the following table.

Montana Progress Report, April 2007 through March 2008		
Total Clients Receiving Services:		99
Gender: Male:	75	Female:..... 24
Ethnicity: Non-Hispanic:	87	Hispanic:..... 12
Race: African/American:	3	Native American:
		17
Recent Living Situation:	Homeless:..... 6	Rental Housing
	Incarcerated.....n/a	27
Assistance Provided:		
Total # Receiving Short-Term/Emergency Assistance, including security deposits:		23
Total funds spent on Short-Term/Emergency Assistance		\$ 37,147
Total # Receiving Long-Term (<i>began with LT or moved to LT after being assisted with ST</i>):.....		76
Total funds spent on Long-Term Assistance		\$ 190,238
Total Funds Spent on Housing Assistance (<i>rental assistance & short-term emergency assistance</i>):		\$ 337,385

U.S. Department of Energy (DOE) and Other Energy Programs

In the plan year ended 2008, DOE and other funds were used for residential weatherization programs. The funding utilized for residential weatherization came from the following sources:

U.S. Department of Energy	\$ 2,254,188
U.S. Department of Health and Human Services (LIHEAP)	\$ 2,675,075
NorthWestern Energy	\$ 1,778,170
Bonneville Power Administration	\$ 441,575
USB/MDU ³	\$ 220,000
Total	<u>\$ 7,369,008</u>

Weatherization activities consist primarily of attic, wall and floor insulation; furnace repairs and replacements; and infiltration reduction measures. Only measures demonstrating a savings to investment ratio of at least 1.8 (based on the use of a computerized energy audit) may be installed on eligible dwellings.

Additional funds used to directly assist eligible households with their fuel bills were as follows:

U.S. Department of Health and Human Services (LIHEAP)	\$ 12,213,249
Utility Company Low-Income Discount	\$ 3,643,582
House Bill 2	\$ 500,000
Total	<u>\$ 16,356,831</u>

Low Income Housing Tax Credit (LIHTC) Program

Since the program's inception in Montana, over \$27 million in federal tax credits has been allocated for 5,093 units of rental housing. For the plan year ended March 31, 2008, the MBOH allocated \$2,308,450 in federal tax credits (on April 7, 2008) for 186 units of rental housing in six projects with total project costs of more than \$30 million.

City/Town	Project(s)	Total Project Costs
Lewistown	Ouelette Place	\$ 4,259,135
Missoula	Garden District	\$ 6,222,845
Hamilton	Mountain View III	\$ 6,114,912
Lame Deer	Shoulder Blade Complex	\$ 4,668,552
Kalispell	Spring Creek Apartments	\$ 6,380,664
White Sulphur Springs	Castle Mountain Apartments	\$ 2,872,069
TOTAL COSTS		\$ 30,518,177

I.B.2 FEDERAL SOURCE - LOCAL ADMINISTRATION

HUD Supportive Housing Program and Shelter Plus Care

Funds for Supportive Housing and Shelter Plus Care are available on a competitive basis through the state's Continuum of Care process. During the last plan year, the following proposals for new or renewed supportive housing were approved:

³ Universal System Benefits/Montana Dakota Utilities

MONTANA'S STATEWIDE CONTINUUM OF CARE HOMELESS ASSISTANCE GRANTS FEDERAL FISCAL YEAR 2007			
Applicant / Project Sponsor	Project Name	Grant Amount	
		Requested	Received
Missoula Housing Authority	MHA/Tenant Based Rental Assistance/New SPC	\$ 158,700	\$ 168,300
Samaritan House, Inc., Kalispell	Samaritan House/Transitional Housing/ SHPR	\$ 63,000	\$ 63,000
Human Resources Council District XII, Butte	Homeward Bound/Transitional Housing/ SHPR	\$ 90,958	\$ 90,958
Missoula County	YWCA Ada's Place/ SHPR	\$ 101,001	\$ 101,001
Mountain Home, Missoula	Hamilton Project/ SHPR	\$ 76,798	\$ 76,798
Poverello Center, Missoula	Joseph Residence at MacClay Commons/ SHP	\$ 72,000	\$ 72,000
Supporters of Abuse Free Environment (S.A.F.E.), Inc, Hamilton	S.A.F.E. Transitional Housing/ SHPR	\$ 35,700	\$ 35,700
Dist 7 HRDC, Billings	Harmony House/ SHP	\$ 127,736	\$ 127,736
Florence Crittenton, Helena	Pathways to Success/Transitional Housing/ SHPR	\$ 124,546	\$ 124,546
Missoula County	Salvation Army Gateway Center/ SHPR	\$ 61,579	\$ 61,579
God's Love, Inc., Helena	God's Love Family Transitional Housing Project/ SHPR	\$ 150,470	\$ 150,470
Western Montana Mental Health Center - Turning Point, Missoula	WMMHC Share House/ SHPR	\$ 196,665	\$ 196,665
MT Dept of Health & Human Services, Helena	Homeless Management Information System (HMIS) Project/ SHPR	\$ 66,980	\$ 66,980
Housing Authority of Billings	HAB Shelter Plus Care/Tenant Based Rental Assistance/ SPCR	\$ 83,160	\$ 88,200
Public Housing Authority of Butte	Shelter Plus Care/Tenant Based Rental Assistance/ SPCR	\$ 75,960	\$ 75,960
Helena Housing Authority	Helena Housing Authority SPC/Tenant Based Rental Assistance/ SPCR	\$ 166,922	\$ 166,992
Missoula Housing Authority	MHA 70/Tenant Based Rental Assistance/ SPCR	\$ 461,040	\$ 488,880
		\$ 2,113,215	\$ 2,155,765
SPC – Shelter Plus Care; SPCR – Shelter Plus Care Renewal;			
SHP – Supportive Housing Program; SHPR – Supportive Housing Program Renewal			

HUD Family Self-Sufficiency (FSS) Program

Funding provided through HUD's FSS program encourages communities to develop local strategies to help families who live in public housing or participate in HUD's Housing Choice Voucher program obtain employment that will lead to economic independence and self-sufficiency. PHAs work with welfare agencies, schools, businesses, and other local partners to develop a comprehensive program that gives participating FSS family members the skills and experience to enable them to obtain employment that pays a living wage.

The funding allows PHAs to hire or retain FSS coordinators on staff to assist adult residents to find employment. The coordinators link participants to resources in the community that can help with their job search such as job training opportunities or employment placement programs. The coordinators also help individuals locate childcare, counseling services, and transportation, often impediments to employment.

Participants, some of whom are on welfare, sign a contract that stipulates the head of the household will find suitable employment and the family will be off welfare assistance within five years. Because public housing and voucher rents are tied to income, when income rises, rent rises. With the FSS program, the rent increase is paid to the PHA but goes into an interest-bearing escrow account. If the participant successfully graduates from the program, he or she can use the escrow account for a variety of goals including down payment on a home, starting a business, paying back debts, or paying educational expenses.

- In December 2007, two Montana housing authorities received a total of \$170,843 in FSS funding. The Housing Authority of Billings received \$39,843 and the Missoula Housing Authority received \$131,000.

HUD Public Housing Neighborhood Networks (NN) and Resident Opportunities and Self Sufficiency (ROSS) Programs

ROSS grants are awarded to PHAs, resident organizations, or nonprofit organizations acting on behalf of residents to encourage self-sufficiency among public housing residents. ROSS Family and Homeownership grants link residents with supportive services including education, job and computer training, and homeownership counseling that put families on the track to self-sufficiency.

- In March 2008, HUD awarded the Northern Cheyenne Tribe \$302,139 in ROSS Family funding.

HUD Section 202 Supportive Housing for the Elderly Program

HUD's Section 202 grants program helps expand the supply of affordable housing with supportive services for the elderly. It provides very low-income elderly with options allowing them to live independently in an environment that provides support activities such as cleaning, cooking, and transportation. In addition to funding the construction and rehabilitation of projects to create apartments, HUD Section 202 grants subsidize rents for three years so that residents pay only 30 percent of their adjusted incomes as rent. To be eligible for the assistance a household must be classified as "very low-income," which means an income less than 50 percent of the area median.

- In October 2007, Volunteers of America (VOA) National Services, Billings, received a \$6,911,100 capital advance and a three-year rental subsidy totaling \$613,800 for a 65-unit project for low-income elderly residents. It is located within a two-mile radius

of amenities such as grocery stores, Wal-Mart, churches, restaurants, and various medical specialty stores. The project will be located in a safe neighborhood that will make the residents feel secure. The site is served by the Billings MET bus line as well as the MET Plus line that will take eligible disabled persons door-to door and offers reduced rates for seniors and persons with disabilities.

HUD Fair Housing Initiative Program (FHIP) Grants

HUD's Fair Housing Initiatives program grants go to public and private fair housing groups and state and local agencies. The groups use the funds to investigate allegations of housing discrimination, educate the housing industry and public about housing discrimination laws, and promote fair housing.

Under the Private Enforcement Initiative, 12- to 18-month grants of up to \$220,000 assist private, tax-exempt fair housing enforcement organizations to investigate and enforce alleged violations of the Fair Housing Act and substantially equivalent state and local fair housing laws.

Education and Outreach Initiative grants of up to \$100,000 are allocated for one year to inform and educate the public about the rights and obligations under federal, state, and local fair housing laws. Some funds are specifically awarded to programs that have a special focus on the fair housing needs of persons with disabilities so that housing providers, the general public, and persons with disabilities better understand their rights and obligations.

Fair Housing Organizations Initiative grants are awarded for three years for projects that serve rural and immigrant populations in areas where there currently is no existing fair housing organization or are otherwise underserved.

- The City of Billings was awarded a \$99,923 Education and Outreach Initiative grant in October 2007. The city will work with 47 organizations to conduct fair housing education and outreach activities designed to reduce discrimination in the greater Billings area. The collaborative effort, which will specifically target Billings' American Indian population, will work to promote universal design and accessibility, remove regulatory barriers to housing opportunities, and implement a faith-based initiative directed at eliminating homelessness among families.

HUD Housing Counseling Program

The Housing Counseling program supports the delivery of a wide variety of housing counseling services to homebuyers, homeowners, low- to moderate-income renters, and the homeless to expand homeownership opportunities and improve access to affordable housing. HUD awards annual grants under this program through a competitive process. Organizations that apply for grants must be HUD-approved and are subject to biannual performance reviews to maintain their HUD-approved status.

- **Human Resource Development Council District IX, Inc.**, Bozeman, received \$67,000. Services to be provided include pre-purchase counseling, homebuyer education counseling, mortgage delinquency prevention, post-purchase counseling, rental counseling, and services for the homeless.
- The **Montana Board of Housing**, Helena, received \$164,624. The MBOH will contract with the Montana Homeownership Network (MHN) to deliver rental counseling, homebuyer counseling and education, financial fitness education, reverse annuity mortgage counseling, and foreclosure prevention counseling statewide. The MBOH is one of 31 housing organization partners, including nonprofits, state and federal agencies, and private sector lenders that formed MHN.
- **Lake County Community Housing Organization**, Ronan, received \$25,000. LCCHO is expanding its counseling services in Lake County to include assisting clients in locating decent and affordable rental housing, renter responsibility training courses, homebuyer education workshops, and certification courses that prepare low- and moderate-income families for homeownership, and one-on-one and group counseling of rights, responsibilities and access to homeownership opportunities and programs such as Home\$tart savings plans, down payment assistance and credit counseling,

HUD Rural Housing and Economic Development (RHED) Program

Rural nonprofit organizations, federally recognized Native American tribes, community development corporations, and state agencies are eligible applicants for HUD's Rural Housing and Economic Development program grants. The funding helps rural communities to build and improve affordable housing, create jobs, and generate community and economic development.

Rural communities use this funding as seed money to pay the start-up costs for activities undertaken by new organizations or for specific housing or economic development projects undertaken by new or existing groups. The grants also help organizations hire and train staff, develop strategic plans, and acquire office space and other needed facilities.

RHED grants also help to acquire land, construct new housing, demolish housing, improve infrastructure, and train construction workers. Other possible uses include providing homeownership and financial counseling and financial assistance to homeowners, businesses and developers; creating microenterprises and small business incubators; and establishing lines of credit or revolving loan pools to benefit the local business community.

- **Browning Community Development Corporation** in Browning received an RHED Innovative grant award for \$300,000. The funds will be used to assist the Blackfeet Tribal members in a 2-year initiative. The objective of the first year is to establish

financial education and asset building information and counseling and training opportunities for 500 residents. The information provided will assist in curtailing predatory lending activities and increasing the decision making and literacy level of residents by educating them on various housing and economic development issues.

- **Crow Tribal Housing Authority** in Crow Agency was awarded an RHED Innovative grant award for \$300,000. The funds will be used to establish and provide financial support for Apsaalooke families making the leap from renter to homeowner status. Homeownership training will enhance the ability of their tribal members to become first-time homeowners.

U.S. Department of Agriculture Rural Development Programs

In federal fiscal year 2007, USDA RD housing programs provided nearly \$70 million in loans, grants, and guarantees to assist Montanans in obtaining various forms of housing. The following table outlines the types of RHS loans and grants available.

MONTANA RURAL HOUSING SERVICES (RHS) OBLIGATIONS 9/30/2007 (FFY 2007)			
Program	Program Description	Number	\$ Amount
Rural Housing (RH)-Guarantee	Federal loan guarantees provided to lenders for single-family housing.	370	\$ 44,779,139
Section 502 Direct	Single family housing direct loan for very low- and low-income borrowers	123	\$ 13,096,275
Section 504 Loans and Grants	Repair loans and grants for very low-income borrowers	47	\$ 238,444
Housing Preservation Grants	Housing preservation grants made to entities for rehabilitation and repair	2	\$ 52,819
523 Mutual Self-Help Grants	Technical and management assistance oversight grant	5	\$ 1,350,954
515 Rural Rental Housing	Multi-family housing loans for low- and very low-income affordable housing projects	4	\$ 411,875
521 Rental Assistance	Rent subsidies for tenants	599	\$ 4,849,902
538 Multi-Family Housing (MFH) Guarantee	Federal Guarantee to lender for low- and moderate-income tenants	0	\$ 0
525 TMA Grant	Grant for an oversight organization to promote homebuyer education	1	\$ 100,000
509 Application Packing Grant	Grant for loan packaging services	5	\$ 13,000
TOTAL		1,156	\$ 64,892,408

I.B.3 STATE SOURCE - STATE ADMINISTRATION

Montana Department of Natural Resources and Conservation Renewable Resource Grant and Loan Program

The RRGL program provides financial assistance to local governments in the form of grants up to \$100,000 or loans to secure loans for water and sewer projects. The funding for RRGL programs is \$4 million each biennium. The following table illustrates the Renewable Resource Grants monies approved in past legislative sessions.

RENEWABLE RESOURCE GRANT FUNDS BY LEGISLATIVE SESSION				
	Authorized Amt	Contracted Amt	Amt Disbursed	Amt Released
2007 Legislature				
2005 Legislature	\$ 4,600,000	\$ 3,834,034	\$ 1,655,175	\$ 76
2003 Legislature	\$ 3,700,000	\$ 3,700,000	\$ 2,982,383	\$ 10,996
2001 Legislature	\$ 4,300,741	\$ 4,200,744	\$ 4,187,350	\$ 108,390
1999 Legislature	\$ 4,237,972	\$ 3,591,726	\$ 3,588,708	\$ 6,617
1997 Legislature	\$ 2,200,000	\$ 1,999,899	\$ 1,950,564	\$ 249,435
1995 Legislature	\$ 1,686,204	\$ 1,575,278	\$ 1,410,802	\$ 275,401

Montana Department of Commerce

Treasure State Endowment Program

The following TSEP construction projects were awarded by the 2007 Legislature:

Name of Grant Recipient	Type of Project	TSEP Grant Amount
Bainville, Town of	Wastewater	\$ 715,000
Big Sandy, Town of	Wastewater	\$ 750,000
Bigfork County Water & Sewer District	Wastewater	\$ 750,000
Black Eagle Water & Sewer District	Water	\$ 365,000
Blaine County	Bridge	\$ 617,017
Brady County Water & Sewer District	Wastewater	\$ 750,000
Butte-Silver Bow	Water	\$ 750,000
Carter-Chouteau County Water & Sewer District	Water	\$ 750,000
Circle, Town of	Wastewater	\$ 750,000
Columbia Falls, City of	Wastewater	\$ 750,000
Crow Tribe (Crow Agency)	Wastewater	\$ 750,000
Custer County	Bridge	\$ 63,750
Cut Bank, City of	Water	\$ 550,000
Darby, Town of	Water	\$ 750,000
Dayton-Lake County Water & Sewer District	Wastewater	\$ 750,000
Ekalaka, Town of	Water/Wastewater	\$ 706,369
Elk Meadows Ranchettes County Water District	Water	\$ 410,000
Fairfield, Town of	Wastewater	\$ 750,000
Fergus County	Bridge	\$ 238,362
Fort Benton, City of	Storm Water	\$ 750,000
Hamilton, City of	Wastewater	\$ 750,000
Harlem, City of	Water	\$ 750,000
Gallatin County (Hebgen Lake Estates)	Wastewater	\$ 750,000
Goodan-Keil County Water District	Water	\$ 532,250
Jefferson County	Bridge	\$ 295,800
Jordan, Town of	Wastewater	\$ 700,000
Judith Basin County	Bridge	\$ 192,215
Laurel, City of	Wastewater	\$ 750,000
Lewis & Clark County (Woodlawn Park Addition)	Water	\$ 596,420
Loma County Water & Sewer District	Water	\$ 750,000
Madison County	Bridge	\$ 370,100

PART I-SECTION B: INVESTMENT OF AVAILABLE RESOURCES

Name of Grant Recipient	Type of Project	TSEP Grant Amount
Manhattan, Town of	Water	\$ 600,000
Mineral County Saltese Water & Sewer District	Wastewater	\$ 390,000
Neihart, Town of	Water	\$ 223,000
North Valley County Water & Sewer District	Water	\$ 750,000
Panoramic Mountain River Heights County Water District	Water	\$ 191,500
Pinesdale, Town of	Water	\$ 750,000
Polson, City of	Water	\$ 750,000
Powell County	Bridge	\$ 263,074
Power-Teton County Water & Sewer District	Water	\$ 604,286
RAE Subdivision County Water & Sewer District	Water	\$ 750,000
Red Lodge, City of	Water	\$ 750,000
Seeley Lake - Missoula County Water District	Water	\$ 750,000
Shelby, City of	Water	\$ 750,000
Sheridan, Town of	Wastewater	\$ 750,000
Stillwater County	Bridge	\$ 407,500
Sunny Meadows Missoula County Water & Sewer District	Water	\$ 325,000
Superior, Town of	Water	\$ 600,000
Sweet Grass County	Bridge	\$ 151,493
Thompson Falls, City of	Water	\$ 363,000
Three Forks, City of	Wastewater	\$ 750,000
Tri County Water District	Water	\$ 313,500
Twin Bridges, Town of	Wastewater	\$ 750,000
Whitefish, City of	Water	\$ 750,000
Whitehall, Town of	Wastewater	\$ 750,000
Yellowstone County	Bridge	\$ 97,079

The following TSEP grants for Preliminary Engineering Studies were awarded for SFY 2008 and 2009:

Name of Grant Recipient	Project Type	TSEP Grant Amount
City of Choteau	Wastewater	\$ 15,000
Jefferson County	Bridge	\$ 15,000
Lewis and Clark County	Bridge	\$ 15,000
Sweet Grass County	Bridge	\$ 15,000
Stillwater County	Bridge	\$ 15,000
Town of Broadview	Water	\$ 15,000
Homestead Acres WSD	Water	\$ 15,000
Gore Hill WD	Water	\$ 15,000
Wapiti Acres WSD	Water	\$ 9,000
Rudyard WSD	Wastewater	\$ 10,000
Town of Melstone	Water	\$ 15,000
Essex WSD	Water	\$ 15,000
Powell County	Bridge	\$ 15,000
Town of Nashua	Water	\$ 13,250
Madison County	Bridge	\$ 15,000
Town of St. Ignatius	Water	\$ 15,000
Pablo/Lake Co. W&S Dist.	Water	\$ 15,000
Happy Valley WSD	Water	\$ 15,000

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Name of Grant Recipient	Project Type	TSEP Grant Amount
Gildford County W&S Dist.	Wastewater	\$ 15,000
Town of Eureka	Water	\$ 15,000
Town of Winifred	Wastewater	\$ 10,000
City of Hardin	Wastewater	\$ 15,000
Fort Peck Assiniboine & Sioux Tribes	Wastewater	\$ 15,000
City of Poplar	Water	\$ 15,000
Town of Big Sandy	Water	\$ 15,000
City of Livingston	Solid Waste	\$ 15,000
Town of Valier	Water	\$ 15,000
Big Sky Co. W&S Dist.	Wastewater	\$ 15,000
Custer County	Bridge	\$ 9,500
Ravalli County	Bridge	\$ 15,000
Fallon County (N. Baker)	Water/Wastewater	\$ 15,000
Town of Ennis	Water	\$ 15,000
Beaverhead County	Bridge	\$ 15,000
Crow Tribe	Water/Wastewater	\$ 15,000
Em-Kayan Village Water District	Water	\$ 15,000
RAE W&S Dist	Wastewater	\$ 15,000
Greenacres Co. W&S Dist.	Water	\$ 15,000
Town of Big Timber	Water	\$ 15,000
Fergus County	Bridge	\$ 15,000
City of Boulder	Wastewater	\$ 15,000
Blaine County	Bridge	\$ 8,250
City of Shelby	Wastewater	\$ 15,000
Total Amount Awarded		\$ 600,000

Montana Department of Commerce Indian Country Economic Development

ICED grants, which are leveraged one to one with tribal funds, are usually a small part of a larger tribal project that may have a significant impact on a tribe's economic growth and development. For program year 2007, the following projects were awarded:

- The **Chippewa Cree Tribe** was awarded \$50,000 to support a design/build contract for an ethanol (and its by-products) plant on the Rocky Boy's Reservation. The project has the potential to create approximately 43 full-time jobs, as well as several hundred additional positions during construction. The project will offer wheat producers across Montana the opportunity to sell wheat to a local facility, adding value to a Montana-produced commodity and dramatically cutting shipping costs.
- The **Blackfeet Indian Nation** was awarded \$50,000 to support the start-up of a tribally-owned communications utility with SIYEH Corporation (wholly-owned by the Blackfeet Tribe). The utility will provide Internet and wireless communication service to the Blackfeet Indian reservation. Eventually, the utility will also provide digital microwave communication services for the 911 system on the reservation. Initially, two jobs will be created. There is potential to create employment opportunities for tribal members in sales, marketing, installation, maintenance, and radio support.
- The **Northern Cheyenne Tribe** continues to pursue the development and ownership of a wireless telecommunications company to provide improved telecommunications

services to the reservation. A telecommunications study of the Northern Cheyenne Reservation was completed with FY 2006 funds. This grant will help support the tribe's regulatory requirement filing, incorporating federal regulatory requirements into tribal codes, completing a business plan, and preparing a ten year pro forma.

- The **Fort Peck Tribes** were awarded \$50,000 to develop a financial and economic review of the tribes' North Spole Irrigation project, which will become a formal business plan for the project. Contract funds will also support skills training for tribal members transitioning from welfare to work through the Fort Peck Native American Artisan Guild. The training will enhance tribal cottage industries and preserve cultural traditions and integrity. Contract funds will also support the purchase of raw materials and training materials.
- The **Crow (Apsaalooke) Tribe** continues to develop the Crow Reservation Revolving Loan Fund (CRRLF). Tribal constitutional laws have been created, modified and/or amended to support the fund's autonomy. The CRRLF targets start-up businesses on the reservation. Loans will be used as down payments; financing will be 4% of the total amount, not to exceed \$5,000. Loan payments will be made to the CRRLF to support the fund in perpetuity.
- The **Little Shell Chippewa Tribe** proposes to inventory 58 forested and tribally-owned acres along the Flathead River in Flathead County. A timber resources assessment will be included in the inventory. Forest thinning, which has the potential to provide income for the tribe, may be part of this project. A feasibility study for the Morony Dam project's recreational and tourism potential may also be a part of the project. Morony Dam is located in Cascade County and is currently managed by the Department of Fish, Wildlife and Parks.
- The **Confederated Salish and Kootenai Tribes** propose the expansion and continued development of a wholly-owned tribal enterprise, Flathead Lath and Dowell Mill. Grant funds will support mill improvements including a concrete slab with hydronic heat, a fabric covered shelter, a heat source unit and mechanical in/out feed sorting with storage capability and the actual cost of conversion. This project will help retain six jobs and will offer tribal welfare recipients training opportunities. The project will also help support the tribe's raw product harvest from tribally-owned lands.

Montana Department of Commerce Primary Sector Workforce Training Grant

In state fiscal year 2008, the Workforce Training Grant Application Review Committee awarded WTG funds to the following Montana businesses:

- **Centene Corporation**, a medical claims processing corporation located in Great Falls, was awarded \$480,700 to hire and train 100 new employees in the next three years. The company will provide \$2,420,000 in matching funds. Centene opened its offices in Montana in 2004 and constructed a new facility in 2006; the second floor of that facility is being modified to accommodate 100 more employees. A cost-

competitive daycare facility was opened onsite. At the time of application, Centene employed 110 people in Great Falls.

- **PrintingForLess.com** (PFL), Livingston, was awarded \$480,000 to hire and train 96 additional new employees. The company will provide \$2,050,000 in matching funds. PFL's Internet printing service has been called one of the fastest growing companies in the U.S. Its training curriculum is based upon high standard customer service, comprehensive software training that covers all customer software, and real world printing knowledge. PFL's average annual salary is \$46,500 with a 37% benefit.
- **Chinook Wireless**, Great Falls, was awarded \$295,000 to hire and train 59 new employees under three categories: customer service, retail, and engineering. It will provide \$20,000,000 in matching funds. Chinook Wireless is a telecommunications business created in Montana May 2005 through the purchase of 3 Rivers Wireless, Blackfoot Wireless Communications, and Summit Liquidating Trust.
- **TeleTech**, Kalispell, is a global business process outsourcing (BPO) company (also known as a call center) that provides a full range of outsourced business solutions enabling its clients to better serve, grow, and retain their customer base. Teletch was awarded \$400,000 to enable the company to hire and train 80 additional employees at the Kalispell facility and will provide \$913,392 in matching funds.
- **Watkins and Shepard Trucking, Inc.**, Missoula, is a trucking company with nationwide activity. The company was awarded \$315,000 to train 63 new truck drivers in a comprehensive driver program and will provide \$9,679,600 in matching funds. Watkins Shepard, a Montana company that began in 1973, currently employs approximately 1,300 people, of whom 700 live in Montana. *Commercial Carrier Journal*, a major trade magazine, selected the company as "2006 Innovator of the Year" primarily based on its approaches to training and safety.
- **Cable Technologies of Montana, Inc.**, Great Falls, designs, produces, and sells cable assemblies/harness systems into the aerospace industry. Because individuals with specialty training engineer the work to customer specifications, cable and harness assembly is widely considered one of the most difficult and time-consuming assembly phases of manufacturing. The company was awarded \$342,138 to hire and train 100 new employees over the next two years and will provide \$144,268 in matching funds.
- **St. Vincent Healthcare Foundation** sponsored the application on behalf of St. Vincent Healthcare in Billings, St. James Healthcare in Butte, and Holy Rosary Healthcare in Miles City. St. Vincent Healthcare Foundation was awarded \$200,000 in WTG funds to provide onsite orientation and/or clinical training through the "hospital" performance based development system for 40 new employees (32 nurses and 8 medical technicians) of the three Montana hospitals over the next two years. The Foundation will provide \$563,000 in matching funds.
- **Ernest Health, Inc.** is building a new 40 bed long-term acute care hospital in Billings. This hospital, Advanced Care Hospital of Montana, will provide health care services currently not available in the state and is expected to create as many as

150 new jobs when fully operational. Awarded \$575,000 to hire and train 115 new employees over the next two years, Ernest Health will provide \$15,460,000 in matching funds.

- **Cherokee Capital, Inc.** (dba, Hobson Insurance), an independent insurance agency located in Hobson, provides insurance for commercial accounts who are members of national buying groups including sporting goods retailers, athletic dealers, and retail stores. Due to an increase in business, the company is adding 2,000 square feet to its building in Hobson. The company, awarded \$18,334 to train five new staff members: two new commercial lines producers, two new customer service representatives and one new personal lines producer, will provide \$160,800 in matching funds.
- Located in Bozeman, **BioScience Laboratories, Inc.**, founded in 1992, is an independent antimicrobial testing laboratory. At the time of the application, the company employed 55 fulltime employees. BioScience Laboratories was awarded \$50,000 to hire and train 10 new jobs over the next two years and will provide \$844,364 in matching funds.
- **AvMax Montana, Inc.**, is a new heavy maintenance and repair facility for regional aircraft (30 – 90 seats) at the Great Falls International Airport. Aviation Services Company of Calgary, Alberta owns AvMax. In July 2006, during Phase 1 of the expansion plan, the company received a \$205,000 WTG grant for training up to 98 employees. Moving into Phases 2 and 3, AvMax was awarded \$179,866 to hire and train 74 new employees and will provide \$3,749,117 in matching funds.
- **Bresnan Communications**, based in Billings with statewide operations, received \$480,000 in WTG funds in 2005 for 100 new employees to assist with their purchase and expansion of the cable business in Montana. Currently Bresnan has 665 employees in Montana. Bresnan was awarded \$600,000 to hire and train 120 new employees throughout Montana over the next two years and will provide \$34,714,000 in matching funds.
- **Glacier Stone Supply, LLC**, Kalispell, manufactures and supplies natural stone and recently expanded into thin stone veneer products. The company plans to focus on the veneer stone allowing them to market nationwide. The company was awarded \$232,500 in WTG funds to hire and train 58 new employees over the next two years and will provide \$77,500 in matching funds.
- In November 2008, **GE Capital Corporation's** Commercial Finance division will open an operations center in Billings. GE Commercial Finance offers a broad range of financial services worldwide providing loans, leases, and other financial services for a variety of equipment and major capital assets. The company was awarded \$1,000,000 to hire and train 200 new employees over the next two years and will provide \$7,900,000 in matching funds.

Montana Board of Housing

Homeownership Mortgage Revenue Bond Program

During the period April 1, 2007 through March 31, 2008, the MBOH provided 1,441 loans totaling more than \$186 million to homeowners, with an average loan amount of \$129,382. The average income of the homeowners was \$42,628.

The Homeownership program is ongoing based on availability and market interest rates. Disruptions in the mortgage revenue bond market caused by the fallout from the subprime mortgage crisis prevented the Homeownership program from issuing a new bond series in the winter of 2008. As a result, the amount of funding available for the regular bond program was significantly reduced, causing in a major drop in loan reservations in January, February, and March of 2008. The Multifamily Risk Sharing program accepts applications on a monthly basis. The Reverse Annuity Mortgage Loan program for elderly persons is ongoing.

Mortgage Credit Certificate Program

For the year ended March 31, 2008, the MBOH provided 17 Mortgage Credit Certificates to homebuyers. The loans totaled over \$2.8 million for families with an average household income of \$45,100. The tax credits totaled \$565,278, averaging \$33,252 per homeowner.

Set-aside Homeownership Mortgage Program

During the period April 1, 2007 through March 31, 2008, the MBOH provided 240 loans totaling \$22,808,774 to lower income homeowners, with an average loan amount of \$95,000. The average income of the homeowners was \$29,272.

Disabled Accessible Affordable Homeownership Program

For the year ended March 31, 2008, the MBOH financed nine homes for \$1,020,792 to provide affordable, architecturally accessible homes for people with disabilities so they can live independently. The average income of program participants was \$22,315, and the average loan amount was \$85,066.

MyMontanaMortgage (MMM)

The MyMontanaMortgage pilot program was initiated in the fall of 2005. For the year ended March 31, 2008, one loan was purchased.

Essential Employee Program

These pilot programs in Ravalli County with Farmers' State Bank and western Gallatin County with Manhattan State Bank assisted two households in the year ending 3/31/2007 and two more in the year ending 3/31/2008 with the purchase of homes.

Montana House™

Five Montana House™ homes have been completed since April 2005. Four of the homes have been located in Great Falls. One house was moved onto the Blackfeet Reservation during the summer of 2006. A sixth house is under construction. The MBOH and the Blackfeet Tribal College have signed an agreement that allows the college to produce Montana House™ units for use on the Blackfeet Reservation, providing needed housing units and training college students in construction skills. The Miles City Community College, located in the eastern part of the state, has also agreed to participate in constructing homes for the Montana House™ program.

Risk Sharing Program and General Obligation Bond Program

No new projects were funded during the plan year through the Multifamily Risk Sharing or General Obligation programs. However, the MBOH voted on a resolution to participate in a conduit bond deal where the MBOH would issue 4% tax credits in conjunction with the bond financing. The MBOH's responsibility would be to monitor the project as it does any other tax credit project.

Reverse Annuity Mortgage (RAM) Loan Program

Seventeen (17) reverse annuity mortgage loans closed during the plan year ended March 31, 2008 and four loans were in process. Through March 31, 2008, the program had assisted 159 senior households since it began taking applications. As of March 31, 2008, 66 loans were paid off.

Affordable Housing Revolving Loan Fund

During the period April 1, 2007 through March 31, 2008, five revolving loans, totaling \$95,000, were closed for the single-family assistance program. These loans, done in partnership with NeighborWorks Great Falls and homeWORD, provide soft second and third mortgages to lower income households purchasing a home. The households must qualify under TANF rules and must complete a first-time homebuyer training course.

Bond Conduit Loan Program

Two conduit deals were closed during the plan year. The South Forty and Sage Towers projects are both located in Billings. South Forty has 101 units of senior apartments,

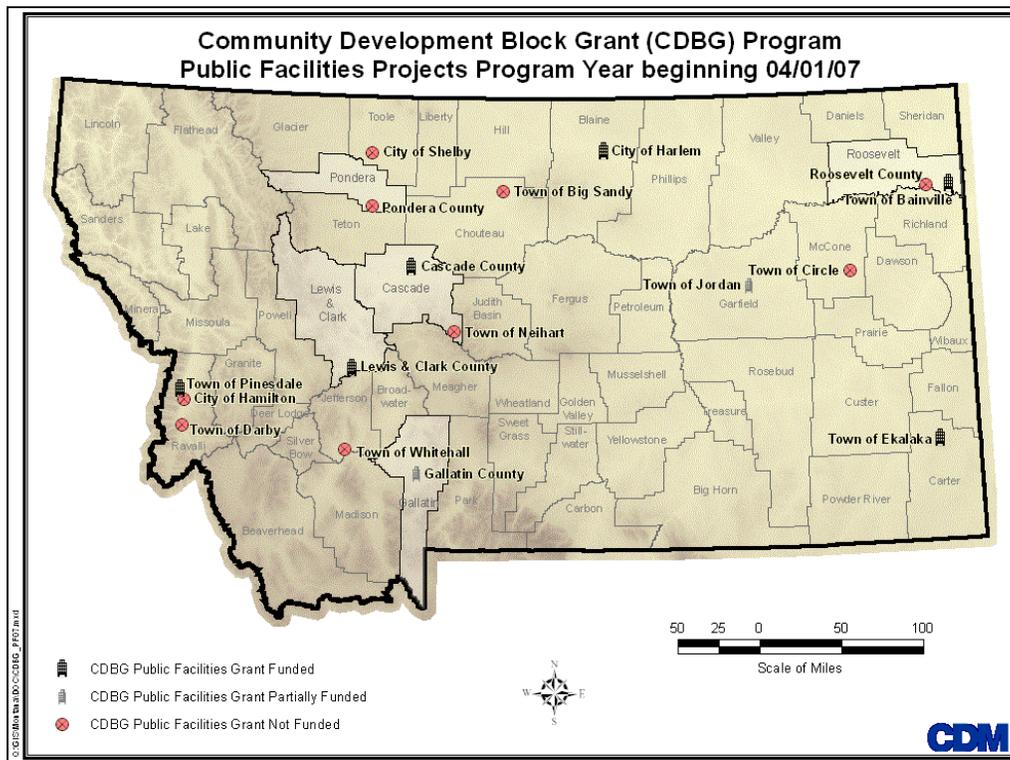
and Sage Towers currently has 88 units of senior apartments but will be rehabilitated into 81 units, eliminating some of the unpopular efficiency units.

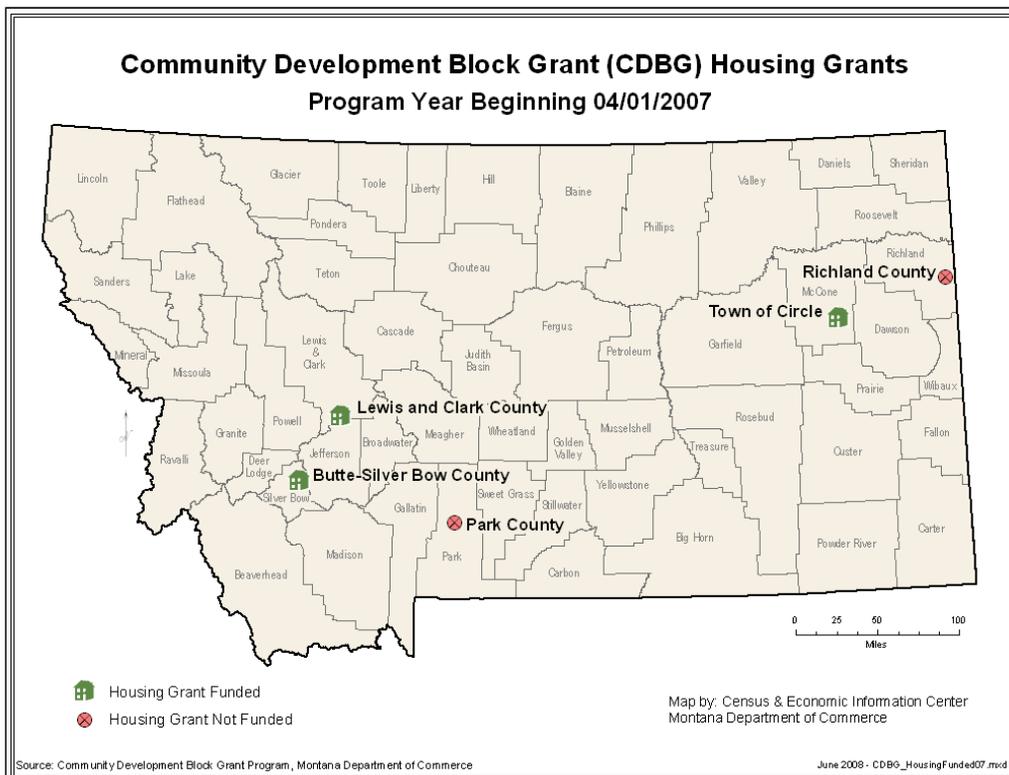
I.B.4 GEOGRAPHIC DISTRIBUTION AND LOCATION OF INVESTMENTS

Housing and community development needs vary widely across Montana. The extreme diversity in available housing, age of housing stock, and overall range in population density complicate the assessment of the type and degree of housing and community development needs. MDOC programs are generally implemented on a statewide competitive basis. Entities receiving CDBG and HOME funds must have previous allocations substantially drawn down before they are eligible to apply for additional funds from these programs. This method has shown to disburse funds equitably throughout the state, allowing all groups an equal chance to apply for funds. Together, all funding methods, whether through a formula, as in the ESG grants, or competitive, as in CDBG and HOME grants, tend to be widely distributed throughout the state.

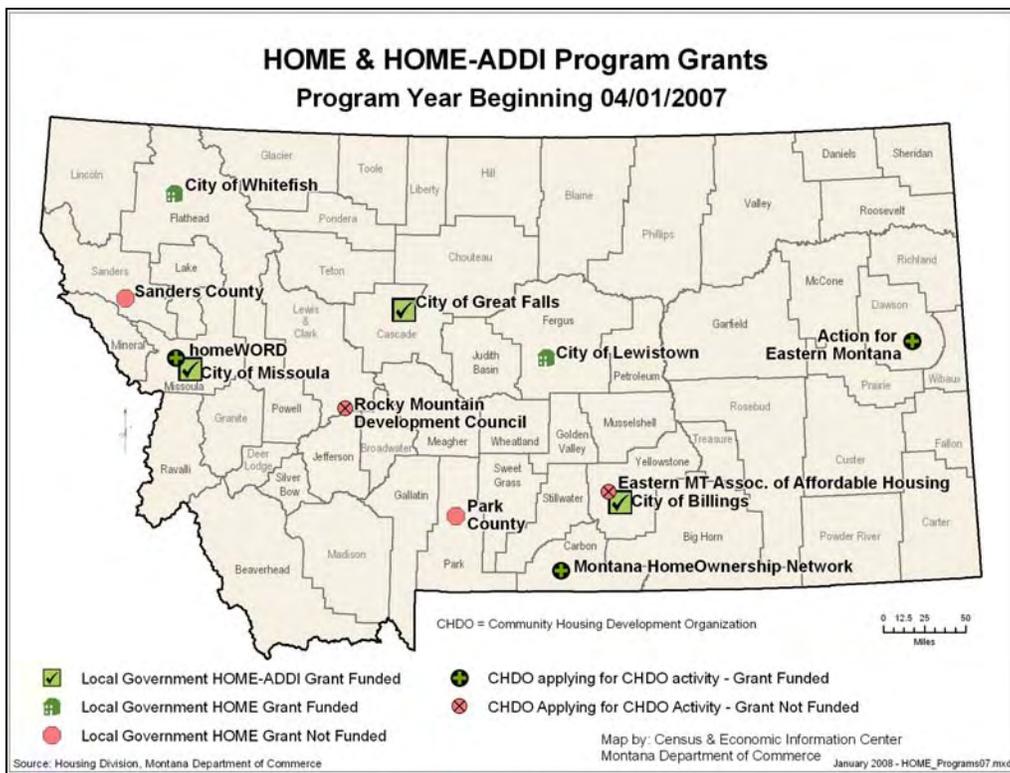
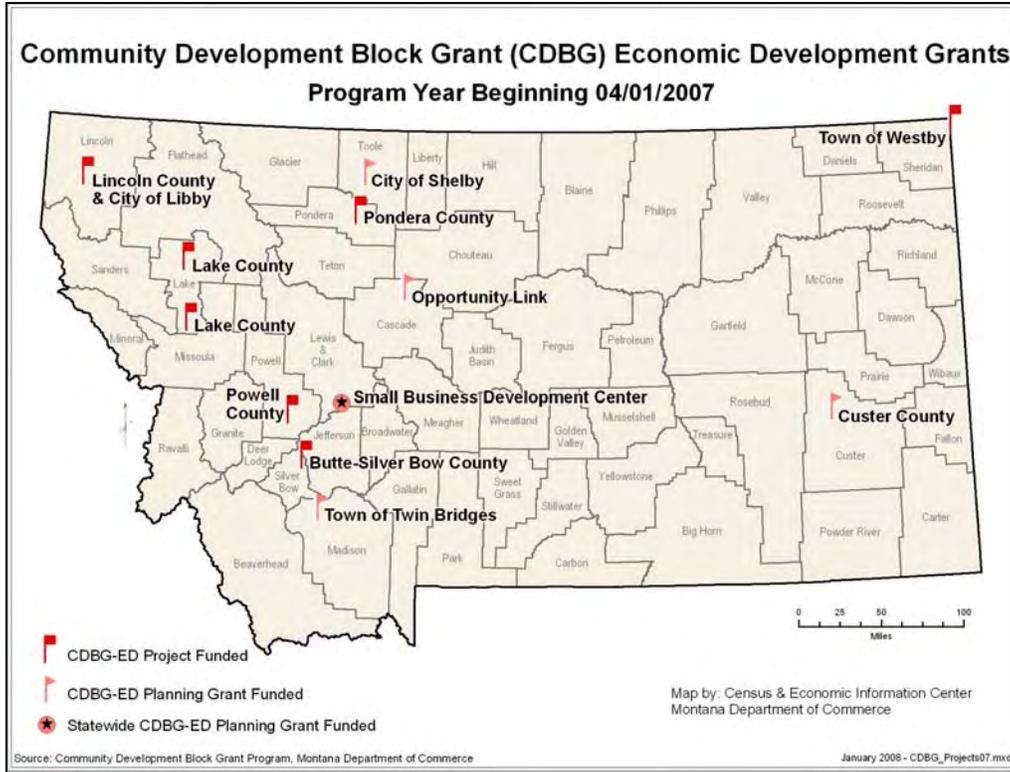
In order to view the geographic dispersion of the past year's funding activities for CDBG, HOME and TSEP, several geographic maps have been prepared. In addition, maps showing the service areas for other programs have been included.

Maps

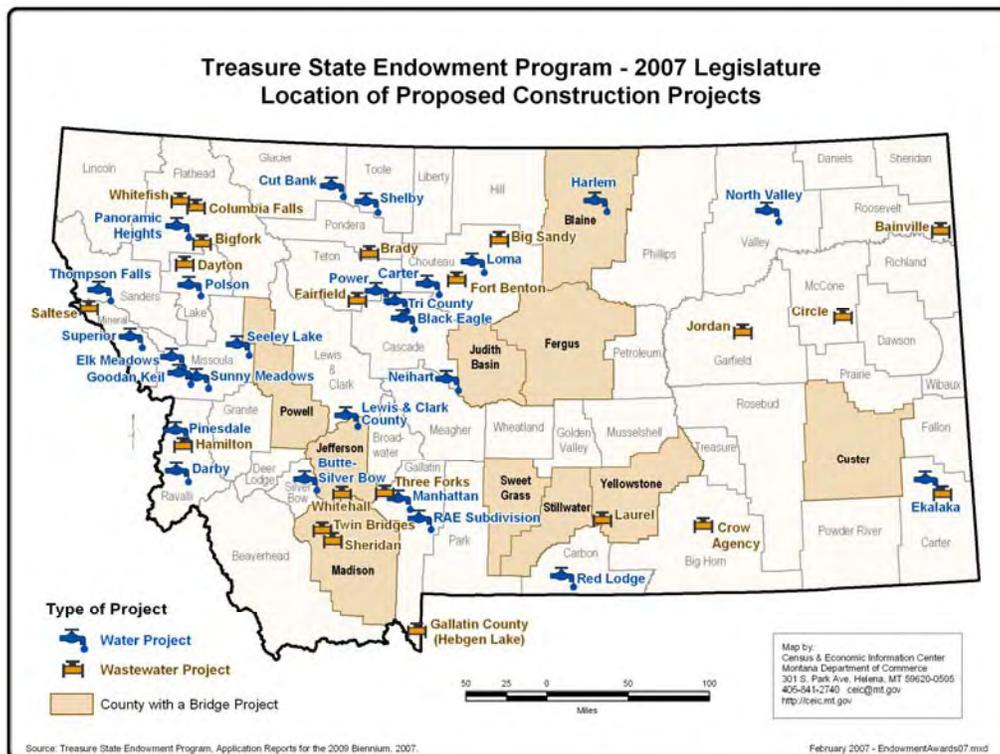
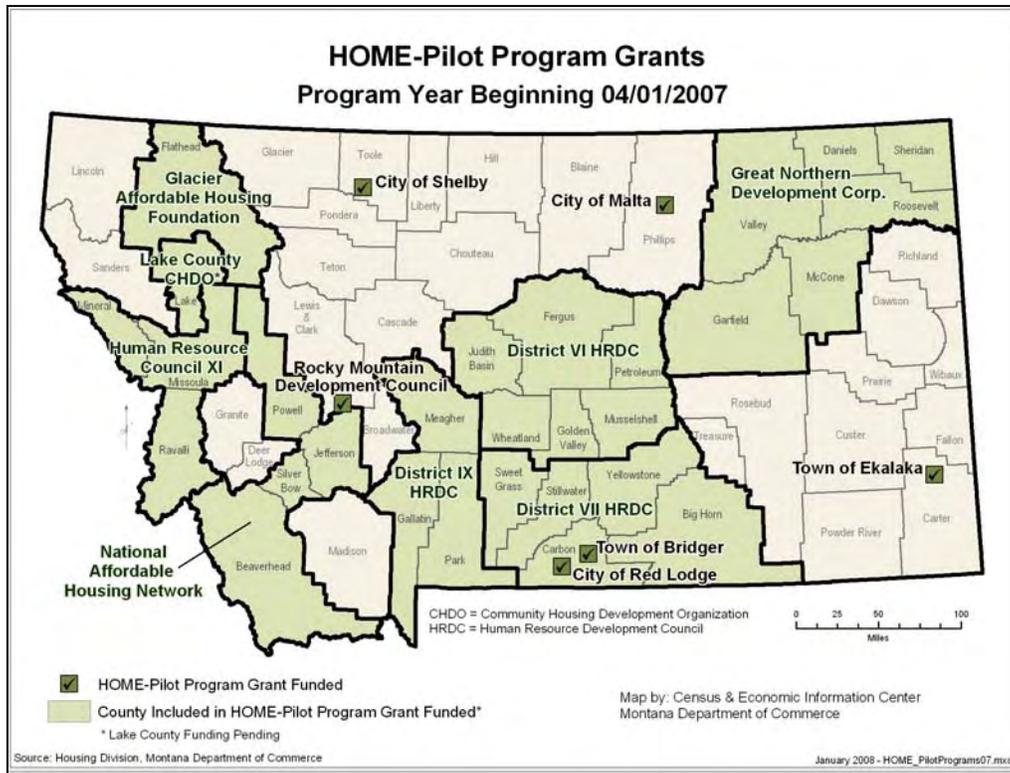


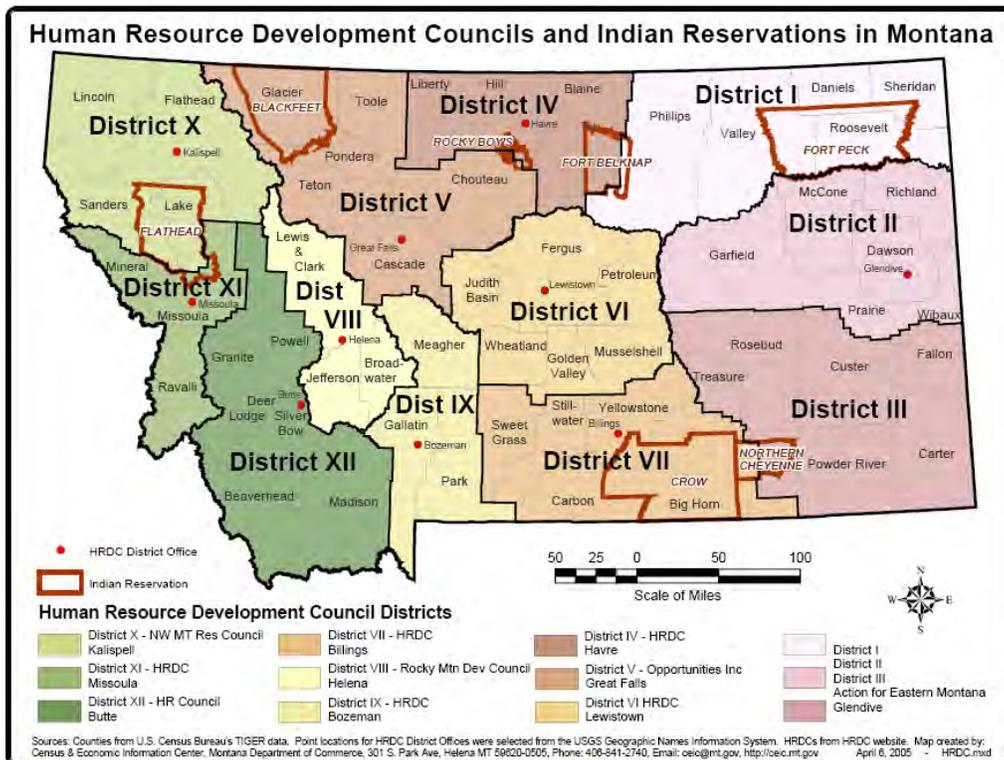
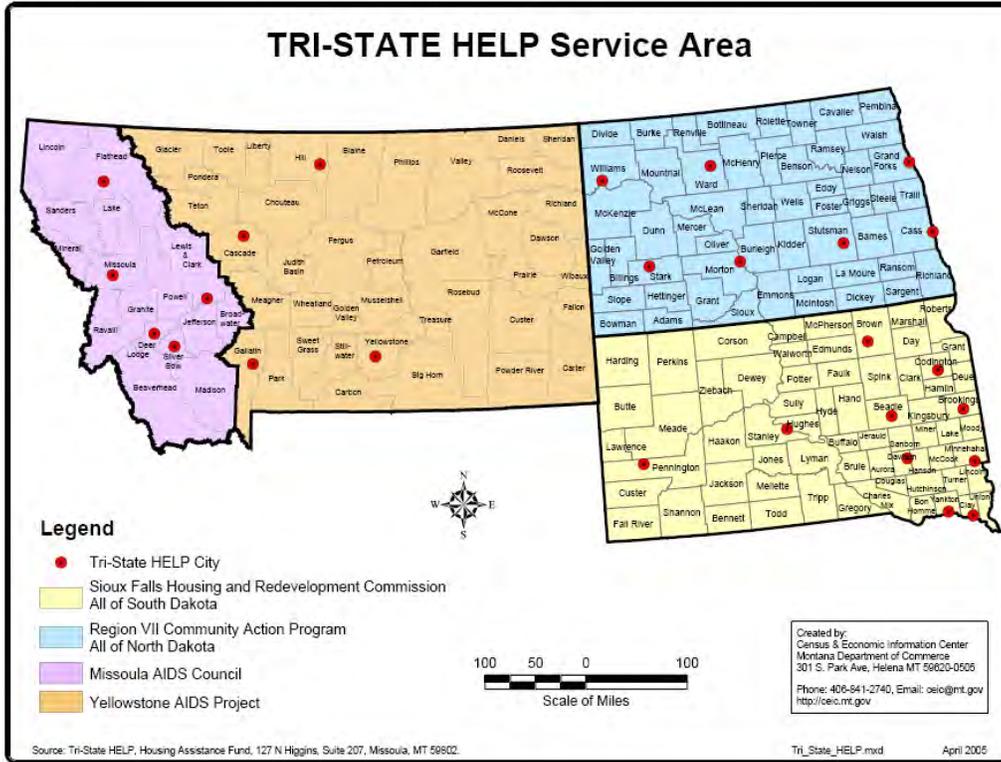


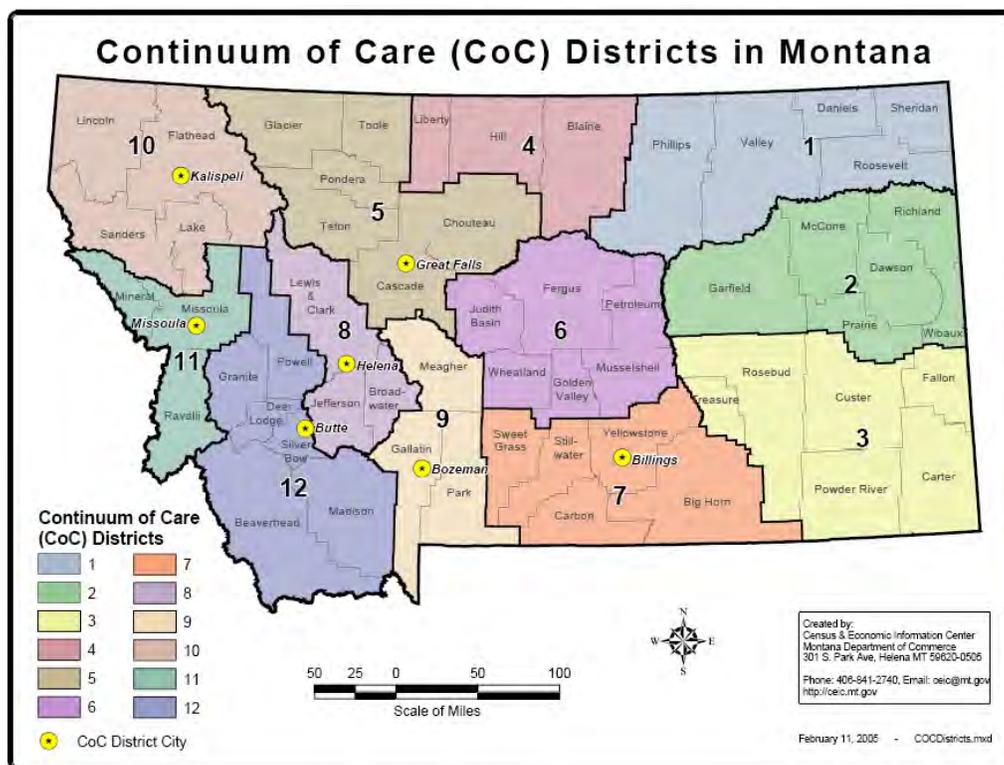




PART I-SECTION B: INVESTMENT OF AVAILABLE RESOURCES







I.B.5 PATTERN OF PLANNED VERSUS ACTUAL INVESTMENT

The **CDBG-ED program** received applications on an open-cycle basis. The applications were reviewed and approved by a loan review committee. Local governments that received grant assistance and assisted businesses followed contractual requirements as agreed upon by the MDOC.

The **HOME and CDBG programs** were carried out in accordance with each program's respective competitive application processes.

In addition, the **HOME program** allocated approximately one-half of its FFY 2006 and FFY 2007 HUD allocation to the **Single Family Allocation Pilot**. The funds were divided among eleven districts of the state according to a formula that considers population and relative age of housing in relation to the state as a whole. For FFY 2007, the allocation was \$2,048,507.

HUD allocates **ADDI** funds to HOME participating jurisdictions (PJs) based on the percent of low-income renters relative to the nation as a whole. Small PJs (such as the three Montana cities: Billings, Great Falls, and Missoula) do not receive ADDI funds directly from HUD. Instead, those cities' statistics factor into a state's allocation. Therefore, MDOC distributed a portion of ADDI funds to Billings, Great Falls, and Missoula based on the number of low-income renters relative to the rest of the state.

This distribution was done outside of the normal allocation process; remaining ADDI funds were distributed throughout the state as part of the normal allocation process.

ESG funds were allocated to the 10 regional HRDCs according to the formula allocation contained in ARM 53-10-502 pertaining to the federal Community Services Block Grant. This allocation reflects areas of poverty and general population. HRDCs receive 95% of the ESG funds received by the state.

I.B.6 LIHTC ALLOCATION AND THE PROVISION OF HOUSING

The LIHTC program was carried out in accordance with the 2008 MBOH Qualified Allocation Plan (QAP), approved by the MBOH on August 6, 2007 and by Governor Brian Schweitzer on August 15, 2007.

I.B.7 LEVERAGING AND MATCHING FUNDS

The **CDBG Economic Development** program is a major player in economic development financing in Montana. The measures of success for the program are the number of jobs created, the leveraging of other funding to complete project financing, and amounts repaid to local revolving loan funds. Economic development projects have leveraged U.S. Small Business Administration (SBA) programs, Economic Development Administration local revolving loan funds, and the USDA Rural Development Intermediary Relending Program (IRP). Economic development projects have also leveraged state programs such as the Montana Board of Investments and the Montana Department of Agriculture's Growth through Agriculture. Most economic development projects leverage private funding from local banking institutions and/or provide owner equity to match CDBG funds.

The CDBG-ED program requires a minimum 1:1 match; i.e., one non-CDBG dollar for each dollar of non-administrative CDBG funds requested. During the past year, CDBG-ED funds were matched with \$27,694,225 of other funding; i.e., each CDBG-ED dollar was leveraged by over \$13.65 in public and private funding. Based on the past five years, CDBG-ED funds have leveraged over 16 times the amount available for awards. On average, over the last five years \$13,117,728 of CDBG-ED funds were leveraged with \$216,356,548 in other funds from public and private sources.

The **CDBG Public Facilities** and **Housing** categories leverage funds from other entities. In the Public Facilities category of the CDBG program, local governments must provide at least a 25% match of total CDBG funds requested. Match is not required for CDBG Housing projects. For FFY 2007 funding awards, CDBG public facility funds leveraged \$9,949,290 of other funds, and CDBG housing funds leveraged other funds totaling \$6,453,652

HOME funds used for project activities must be matched at 25%. During plan year, the HOME program incurred a match liability of \$1,080,290, with a total match contributed

of \$399,253. Montana has excess match from prior federal fiscal years totaling \$7.7 million. The total cost of the competitively funded projects in the plan year, including \$2,091,912 of HOME funds, was nearly \$19.6 million, providing nearly a 1:8 leverage of HOME funds.

The **ESG** program verifies that required match is reported annually by contracted agencies. The ESG match is only required above the first \$100,000; however, the MDPHHS required all funds to be matched, with the exception of grantee administration. A total ESG funds reported expended were \$379,110 with an equivalent amount of match required to meet the ESG objectives, and the actual amount of leveraging reported was \$404,698 or 106.7%. The ESG program has identified the following match for May 1, 2007 through April 30, 2008⁴:

FFY 2007 HUD EMERGENCY SHELTER GRANTS PROGRAM MATCH BY HRDC										
Eligible Activities	AEM	DIST IV	Opp., Inc.	DIST VI	DIST VII	RMDC	DIST IX	NMHR	DIST XI	DIST XII
Essential Services	\$11,253	\$8,237			\$18,562	\$5,007	\$11,835	\$18,115	\$3,432	
Shelter Maintenance	\$19,688	\$5,098	\$19,559		\$25,461	\$20,472	\$13,332	\$22,077	\$42,722	\$46,163
Homeless Prevention	\$7,128		\$32,000	\$12,709	\$19,096		\$10,119	\$17,343	\$15,210	
	\$38,069	\$13,335	\$51,559	\$12,709	\$63,119	\$25,479	\$35,366	\$57,535	\$61,364	\$46,163

FFY 2007 (May 1, 2007 – April 30, 2008) matching resources by subgrantee are:

- Action for Eastern Montana (AEM): Volunteer hours, donations
- District IV HRDC: Volunteer hours, state domestic abuse funds, and United Way of Hill County
- Opportunities, Inc. (Opp, Inc.): Subgrantees, clients and agency funds, community donations, Cascade County United Way
- District VI HRDC: Clients, Clearinghouse Connections program – private, local donations
- District VII HRDC: Yellowstone County General Assistance
- Rocky Mountain Development Council (RMDC): Subgrantee match
- District IX HRDC: Mentoring, travel cost donations, community/individual donations, and United Way
- Northwest Montana Human Resources (NMHR): Subgrantees, clients, and agency funds
- District XI HRC: Local donations, donated space, private donations, volunteer hours, United Way, Missoula County, state general fund
- District XII HRDC: Butte-Silver Bow County

⁴ The ESG contract year with its subgrantees runs from May 1 to April 30.

I.B.8 PROJECT MONITORING

HOME Program

HOME staff conducts monitoring visits to each project to determine compliance with housing codes and applicable HUD regulations and MDOC policies. Project monitoring is based on a guide found in the HOME Administration Manual. Key issues include assessment of affirmative marketing actions, outreach to minority and women owned businesses, data on the amount and use of program income, number of projects, and eligibility of tenants and homebuyers, rent levels, purchase prices, and compliance with subsidy limits. No findings were issued as monitored projects were found to be in compliance.

The HOME program conducted 11 monitoring reviews during the plan year:

- City of Bozeman (2004)
- Elkhorn Affordable Housing Corp. (2005)
- HRC XI Missoula (2005)
- Town of Superior (2005)
- Lake County (2005)
- Lewis & Clark County (2005)
- Whitefish Housing Authority (2005)
- Richland County Housing Authority (2005)
- Town of Stevensville (2005)
- Mineral County (2006)
- Missoula County (2006)

Each year, all homebuyer and rental grantees provide annual certifications to HOME program staff. These certifications require homebuyer grantees to verify either that homes are continuing to be used as the principle residences of participants, or if transfer of the property has occurred, that program income has been recaptured and accounted for. All rental projects must certify that housing quality standards (HQS) inspections have been completed and that affordability requirements regarding income and rent limits have been met.

In addition, 25 rental projects received on-site visits. On-site visits are conducted for rental projects every year for projects with 26 or more units, every 2 years for projects with 5 to 25 units, and every 3 years for projects with 1 to 4 units. These on-site visits allow HOME staff to verify that tenant income certifications, rental agreements, rent limits, and inspection results meet HUD and MDOC requirements. Staff also reviews the facility's condition to ensure that it remains safe, decent, and sanitary. Projects were found to be in compliance with property standards and rent and income requirements. Visits were made to the following projects:

- Rocky Mountain Dev. Council (1997)
- Rocky Mountain Dev. Council (1999)
- Rocky Mountain Dev. Council (2001)
- HRC XI-Missoula (1997)
- HRC XI-Missoula (2004)
- Flathead – Lake CHDO (2001)
- Action for Eastern MT (2001)
- Richland County Housing Authority (1999)
- City of Helena (2002)
- HRDC IX-Bozeman (2001)
- City of Choteau (2002)
- Missoula County (1999)

- Flathead – Lake CHDO (2004)
- homeWORD (1997)
- homeWORD (1999)
- homeWORD (2000)
- homeWORD (2002)
- homeWORD (2004)
- YWCA (1993)
- City of Hamilton (2003)
- Lewis & Clark County (1993)
- Helena Housing Authority (2003)
- Northwest MT Human Resources (1998)
- City of Kalispell (1997)
- City of Kalispell (2001)

CDBG Program

CDBG projects received an on-site monitoring visit during the plan year. A basic requirement of the Montana CDBG programs—Housing, Public Facilities, and Economic Development—is for state program staff to monitor the critical elements of each project at least once. CDBG operates under a comprehensive monitoring system, meaning that elements of the local CDBG project are reviewed in sixteen different areas. Within each of these areas, staff completes an extensive checklist, reviewing each project element for compliance with all applicable HUD, federal, and state program requirements. Following the monitoring visit, staff issues a formal letter to the chief elected official of the local government reporting on the monitoring visit, noting any "Concerns," "Questions of Performance," or "Findings" as may be applicable, and asking the local government to respond promptly regarding any questions of performance or findings.

In addition to the on-site monitoring visits during the year, CDBG staff monitors each project through regular contacts with the local project manager and through written progress reports. These reports are submitted on a regular basis to provide information and updates concerning project activities and progress on objectives from start-up through closeout of the project.

Over the years, the method of project monitoring for CDBG-ED projects has changed in response to the nonprofit organizations that administer CDBG projects and manage funds for multiple counties. More emphasis is placed on loan documentation and financial evaluation procedures for new loans, all of which require additional technical assistance. To this end, the CDBG-ED program uses a comprehensive monitoring checklist to help ensure important areas of program compliance are reviewed during the monitoring process.

ESG Program

The HRDCs prepare an annual work plan for the use of ESG grant funds. The process ensures they review the needs of their service area and establish funding for specific activities, including the required matching funds. The MDPHHS provides on-site monitoring of the ESG program via regularly scheduled monitoring visits by program staff using a monitoring tool. Staff reviews the matching requirements, budget, and performance (both financial and operational) against contacted activities in the approved ESG work plans. Staff reviews fiscal accountability and timeliness of report

submission. This monitoring is part of a comprehensive annual review of all programs funded by the Intergovernmental Human Services Bureau. The ESG program itself is reviewed periodically by HUD.

HOPWA Program

The Montana HOPWA programs, through the MDPHHS, work with Montana State University in providing technical assistance and gathering data to support the progress of the programs. Both locations are monitored annually. Both the Montana sites have begun using the Homeless Management Information System (HMIS) for their annual progress reports. This is a vital step in efficiently collecting data and facilitates effective reporting.

MBOH Multifamily Program

Low Income Housing Tax Credit projects are required to submit annually:

- (1) an owner's statement certifying that the project is in compliance with tax credit regulations, and
- (2) tenant certifications for all tenants that lived in the project during the year.

Each project is inspected every three years to determine if it is decent, safe, and sanitary. A tenant file review is also conducted on 20% of the tenant files. Compliance issues, if found, are communicated to the IRS via form 8823. The IRS will then determine the penalty, if any.

Annually, each multifamily bond or risk-sharing project is required to submit:

- (1) an owner's statement certifying that the project is in compliance with bond regulations,
- (2) tenant certifications for all tenants that lived in the project during the year, and
- (3) financial statements and projected budgets.

Projects will have either an inspection every year or an inspection every three years to determine if it is decent, safe, and sanitary.

SECTION C - AFFIRMATIVELY FURTHERING FAIR HOUSING

I.C.1 SUMMARY OF IMPEDIMENTS TO FAIR HOUSING CHOICE

In the Fair Housing Act, it is a policy of the United States to prohibit any person from discriminating in the sale or rental of housing, the financing of housing, or the provision of brokerage services, including in any way making unavailable or denying a dwelling to any person, because of race, color, religion, sex, national origin, handicap, or familial status. Montana law (Section 49, parts 2 and 4, MCA) also defines illegal housing discrimination and includes age and marital status as protected classes.

According to HUD, impediments to fair housing choice include actions or omissions in the state that constitute violations of the Fair Housing Act. Further, impediments mean actions or omissions that are counter-productive to fair housing choice or that have the effect of restricting housing opportunities based on protected classes.

The MDOC is responsible for conducting the Analysis of Impediments (AI), taking actions to address the impediments within its jurisdiction, and monitoring the results of those actions, and certifying HOME and CDBG grantees affirmatively further fair housing. However, MDOC lacks the authority to solve these problems alone. The task of eliminating the impediments to fair housing rests on the shoulders of all Montanans.

In 2004, the MDOC updated the *Analysis of Impediments to Fair Housing and Housing Choice*⁵, in support of Montana's Five-Year Consolidated Plan for the period April 1, 2005 through March 31, 2010. A review and analysis of the data contained in the AI revealed six impediments to fair housing in the state of Montana:

1. Minorities face significantly higher mortgage denial rates, which may impede their entry into homeownership. Analysis of Home Mortgage Disclosure Act (HMDA) data from 1993 through 2002 revealed significantly higher denial rates for Montana's minorities, particularly Native Americans. Although higher loan denial rates for particular groups do not provide enough information to conclude that discriminatory lending practices exist, the data reveal persistent trends that suggest minorities, particularly Native Americans, face greater challenges than non-minorities in moving into homeownership.
2. Subprime lenders in the state provide large home improvement loans to extremely low-income homeowners, which places them at risk for foreclosure and impedes long-term homeownership. Analysis of HMDA data showed that between 1993 and 2002, 1,038 Montana households with yearly incomes below \$15,000 received home improvement loans. The average home improvement loan issued by subprime lenders to this income group was \$12,167.

⁵ *Analysis of Impediments to Fair Housing and Housing Choice*, Western Economic Services, LLC, November 2004.

3. HUD complaint data show violations to fair housing law continue in Montana, limiting housing choice for selected populations. The greatest number of fair housing complaints between 1993 and 2003 related to disability, followed by familial status and race. During the same period, HUD data reveal 502 total complaints, 159 related to disability, 142 to familial status, and 110 to race as a basis for complaint.
4. Access to the fair housing system is limited, impeding fair housing enforcement in the state. HUD is the enforcement agency for Montana. It operates its enforcement efforts from Denver, Colorado. When the AI was originally conducted, Montana Fair Housing (MFH)⁶ was the only agency in the state that tested for fair housing and investigated allegations of discrimination statewide. Despite nationwide reports detailing persistent violations of fair housing law, just 32 complaints from Montana were filed with HUD in 2003, less than half the number of complaints filed in the state a decade earlier.
5. When the AI was originally conducted, MFH was the only agency that provided statewide fair housing education. The telephone survey conducted for the AI revealed a lack of understanding of fair housing law, particularly in rural areas and eastern Montana. The survey also revealed limited knowledge about primary resources for filing fair housing complaints, resulting in a possible impediment to the complaint process.
6. A telephone survey of 100 Montanans involved in housing-related services revealed the following:
 - a. Rental discrimination, particularly by unregulated landlords, is directed toward Native Americans and, to a lesser extent, against other members of protected classes.
 - b. Many residences, both new and old, do not comply with fair housing design and construction standards and accessibility regulations.
 - c. Enhanced fair housing instruction and training is needed in rural areas of the state, along with tailoring of the education to meet the interests and needs specific to rural areas. Respondents also favored additional education for inspectors, contractors, and others in the building industry.
 - d. Violations of fair housing law often are not reported because, among other reasons, the victims do not know the law, fear repercussions, or lack the time and resources necessary to pursue claims.

Again, the study concluded that impediments to fair housing still exist in Montana and members of the state's protected classes are affected with varying degrees of frequency and severity. The MDOC hopes to eliminate discriminatory actions and overcome an apparent lack of knowledge about fair housing law through two fair housing objectives:

⁶ MFH failed to receive funding from HUD for two successive years. Without HUD funding, MFH was not able to sustain its operation in the state.

1. Improve the understanding of fair housing law and proper construction practices; and
2. Enhance coordination among members of Montana's affordable housing community.

These objectives, termed the "Education Objective" and the "Coordination Objective," represent strategies the MDOC is considering for the five-year period, 2005 - 2010. The two objectives each are organized into four types of action.

1. Education Objective

- Improve the general public's understanding of fair housing law through further outreach and education.
- Explore the feasibility of incorporating homebuyer training at the secondary education level. Communicate how credit markets work, how to avoid credit problems, and what predatory lending practices are to an audience entering the rental or homebuyer market.
- Design educational training sessions for specific subgroups, including consumers and providers of housing to improve the fair housing educational experience. These subgroups will be comprised of at least the following:
- Continue publishing and distributing fair housing educational materials and guides.

2. Coordination Objective

- Establish a network with landlords, bankers, attorneys, and others for setting and coordinating a fair housing agenda. MDOC will oversee this effort. It will establish a Fair Housing Working Group with regular meetings to assess and review progress associated with the fair housing agenda.
- Encourage partnerships among the disabled community, housing developers, builders, and other housing providers. This action may include:
- Increase the MDOC's role as an information clearinghouse by including additional information on the Housing Division website, <http://housing.mt.gov>, including Montana Landlord/Tenant Law, Federal and Montana fair housing laws, and ADA and 504 design and construction standards.

One of the objectives established in the AI, "Coordinate with Montana Fair Housing (MFH) to further fair housing education throughout the state," is no longer feasible since MFH failed to receive funding from HUD for two successive years. Without HUD funding, MFH was not able to sustain its operation in the state.

I.C.2 ACTIONS TAKEN

The MDOC has been involved in various educational efforts and outreach activities to affirmatively further fair housing during the plan year. These efforts and activities are summarized below.

- MDOC hosts the Montana Financial Education Coalition's (MFEC) web site and the MBOH's executive director sits on the MFEC board.
- The MBOH provides a list of "housing rights, fair housing advocates, legal assistance, and other resources" available in the state as a "featured resource on its web page:

<http://housing.mt.gov/index.asp>.

Originally developed as a component of the *Montana Housing Resource Directory*⁷, the listing provides basic information on where citizens can find assistance for issues relating to housing rights, fair housing, legal issues, etc.⁸

- The MDOC provides copies of the "Analysis of Impediments" at the housing application workshops and Consolidated Plan meetings and supplies copies to individuals and organizations requesting them. The AI is also available on the Housing Division web site:

http://housing.mt.gov/Hous_CP_AnalysisImpedFrHsg.asp

- The MDOC provides brochures and posters distributed by the Montana Department of Labor and Industry Human Rights Bureau to successful grantees and as requested by individuals and organizations. The MDOC also makes the brochures and posters available at workshops and other events. The brochures are also available on the Human Rights Bureau's web site:

<http://erd.dli.mt.gov/humanright/housediscrim.asp>

- The HOME and CDBG programs provide fair housing information and program requirements in its application guidelines and administration manual. Grant recipients are required to show efforts to further fair housing, and each of the programs' staffs monitors recipients for compliance.
- The Housing Locator Subcommittee of the HCT is working on a statewide website for property owners to list vacant rental units to help Montanans find and secure affordable housing. Landlords can list housing in detail, with over 40 options for accessibility features as well as information about income requirements, eligibility criteria, and amenities. It will be a resource for low- and moderate-income

⁷ *Montana Housing Resource Directory*, Montana Department of Commerce, November 2007; http://housing.mt.gov/Hous_CP_HsgResDir.asp

⁸ The material included in the directory is not intended as legal advice or as a promotion or guarantee of the reliability or appropriateness of programs, businesses and individuals listed or linked. In certain instances, readers of the directory may want to consult with legal counsel. The Montana Department of Commerce assumes no liability for the content of information provided in the directory or the content of links listed in the directory.

Montanans as well as renters at any other income level. It is anticipated the locator service will assist landlords in meeting affirmative marketing requirements. The website, which should go “live” within the next few months, is free to landlords and renters.

Within the constraints of our budget and staff resources, as well as our obligation to document compliance with numerous other federal laws and regulations, we believe the MDOC has demonstrated strong and sincere efforts in regard to furthering fair housing through the HUD-funded programs.

SECTION D – AFFORDABLE HOUSING

The state made progress toward the objective of providing affordable housing to low- and moderate-income households during the plan year.

LIHTC: The 2008 Qualified Allocation Plan for the Low Income Housing Tax Credit program included points for projects that targeted 30% and 40% AMI units. Of the six projects receiving allocation credits in 2008, there were 11 units targeted for 40% AMI and 12 units at 30%. A total of 186 units are being built.

HOME Program⁹: Of the renters assisted with HOME funds, more than 90% are very low-income beneficiaries, i.e., their incomes are below 50% of AMI. More impressive is the percentage of renters who fall into the extremely low-income category: 56% of the renters assisted with HOME funds in Montana have incomes below 30% of AMI (compared to the national average of 37%). These numbers rank Montana in the top ten among the 51 state Participating Jurisdictions. Minority households occupied approximately 11% of rental units and nearly 23% of those receiving HOME tenant-based rental assistance are minority households, with the largest percentage, 18%, representing American Indian households. Census data shows that Montana's total minority population is approximately 7%.

CDBG: The Montana CDBG program reported serving approximately 266 households, including six minority households, with some type of housing assistance, including rental housing, homebuyer assistance, and homeowner rehabilitation for the period April 1, 2007 through March 31, 2008¹⁰. All of the persons and households assisted during the plan year had incomes at or below 80% of area median, as required by regulation.

Disabled Accessible Affordable Homeownership Program: During the period April 1, 2007 through March 31, 2008, the MBOH financed 12 homes for \$1,020,792 to provide affordable, architecturally accessible homes for people with disabilities so they can live independently. The average income of program participants was \$22,315, and the average purchase price was \$85,000. During the history of the program, the MBOH has financed 189 homes with \$12,772,205 in recycled mortgage funds. The average loan amount was \$67,577.

First-time Homebuyer Savings Account Program: The MBOH established this program in 1997 for permanent mortgages for homebuyers who have established a qualified savings account for down payment and closing costs. In SFY 2008, the board purchased loans totaling \$5,069,252, assisting 41 first-time homebuyers.

⁹ HUD SNAPSHOT of HOME Program Performance--As of 03/31/08 (State Participating Jurisdictions, from 1992-3/31/08): www.hud.gov/offices/cpd/affordablehousing/programs/home/snapshot/

¹⁰ IDIS report CO4PR23, Program Year 2007 Summary of Accomplishments

Habitat for Humanity Mortgage Reinvestment Program: In SFY 2008, the MBOH provided \$1,058,149 in financing for permanent mortgages for 12 Habitat for Humanity affiliate member families. This financing allowed the local Habitat for Humanity affiliate to recover its construction cost from the homes constructed and start construction on additional homes. As of March 31, 2008, a total of 61 Habitat home loans totaling \$3,774,885 have been financed. The average income of the member families helped by this program this year was \$25,420.

Lot Refinance Program: In July 2002, the MBOH set aside \$1 million in recycled mortgage funds for the permanent financing of homes built on land purchased by Montana families more than two years prior to construction. Under the regular bond program, these families had been precluded from using MBOH financing due to refinance restrictions. Through March 31, 2008, the MBOH had provided a total of \$1,130,748 in financing for 11 Montana families through this program.

Rural Housing Loan Leveraging Program: The MBOH provided \$419,215 of recycled funds for 12 first-time homebuyers in SFY 2008. Funds from USDA Rural Development are leveraged in this program with the MBOH purchasing a first mortgage (30 year, FHA insured, VA guaranteed) for no more than half of the purchase. RD will make a loan secured by a second mortgage at a 1%, 2%, or 3% rate for the rest of the purchase.

Due to the success of the program and at the request of RD, the MBOH expanded the program to include families whose income does not exceed 80% of the area median. The MBOH financed loan amounts now range from 10% to 50%, which keeps the monthly payment rate from 27% to 29% of homebuyers' income.

Essential Employees Program: There were two partner lenders providing access to this program for their areas in SFY 2008. In Ravalli County, Farmers State Bank formed a partnership with the MBOH to provide low-interest home loans and creative financing for teachers serving Ravalli County. Manhattan State Bank agreed to partner with MBOH to provide this program for teachers and police officers in the areas around Manhattan, Montana, in western Gallatin County. The program allows qualified teachers and police officers to obtain a first mortgage based on the amount they can qualify for on their income, then obtain a second mortgage for the gap between that and the cost of a modest home in their area. The property must be the purchaser's primary residence, and the purchase price must not exceed \$237,000. Additionally, the homebuyer must complete a full homebuyer education course and be approved for a first mortgage based on USDA Rural Development guidelines.

Montana House™: The Montana House™ program is a collaboration between the Anaconda Job Corps and Blackfeet Community College and the MBOH, the United Brotherhood of Carpenters and Joiners of America, and the Painters & Allied Trades International Union. The program was created by the MBOH as a way to provide an affordable, energy-efficient, reasonably sized home for low- and moderate-income

families in Montana. The Miles City Community College, located in the eastern part of the state, is also participating in building homes for the Montana House™ program.

The MBOH provides the money for materials and pre-apprenticeship carpentry and vo-tech students build the house under the guidance of the carpentry instructors. The students get first-hand experience in residential construction, building the entire house from the ground up, from the trusses to the shingles to the sheetrock to the painting, which makes them much more marketable and employable when they look for jobs.

The homes, with oak cabinets in the kitchen and bathroom and oak trimming throughout are either a 960 square foot, one-story, two-bedroom, one-bath home or a 1,200 square foot, one-story, three-bedroom, two-bath home. The walls are insulated, taped, painted, and textured. Siding is hung on the exterior, and the vinyl windows are insulated, making the homes energy efficient. The price includes everything except the appliances and flooring, which the homebuyer provides. The homebuyer is also responsible for the lot and foundation and moving the home.

Since April 2005, five Montana House™ homes have been completed. Four of the homes have been located in Great Falls and the fifth house was moved onto the Blackfeet Reservation.

Native American HUD Section 184 Set-aside: As the HUD Section 184 program becomes more familiar to lenders, more loans are being made on Montana reservations. From April 1, 2007 through March 31, 2008, MBOH made 11 loans totaling \$1,209,609. The average loan amount was \$110,000 and the average income of the homebuyers was \$44,135. Since inception, the program has provided 56 homeowners with \$5,222,502 in home loans.

Montana American Indian Homeownership Task Force: During the plan year, the MBOH continued its successful partnership with the Montana American Indian Homeownership Task Force in attending housing fairs and planning meetings with tribal representatives. Rocki Davis from the Salish & Kootenai Housing Authority chairs the task force and has arranged for monthly meetings. The taskforce is a coalition of state and federal agencies, nonprofits, lenders, and Indian housing authorities. The taskforce is able to work directly with Native American homebuyers on and off the reservation because of the expansion of the HUD 184 program to include statewide coverage. During SFY 2008, MBOH also created a larger household size and income limit for extended households of nine persons or more, recognizing the cultural differences in providing homeownership to extended families.

Warm Hearts, Warm Homes: The MDPHHS in concert with the Governor's office and other state agencies continue to view the program entitled Warm Hearts, Warm Homes as important to Montanans. This program was designed to assist in making information available to all Montanans to help them identify all programs that could benefit them. A is published to meet the Governor's objective of advertising available resources and

enlisting “Neighbor to Neighbor” community involvement. This Web site has information about weatherization, saving energy, other resources to find help for families, and how to help others stay warm. Access the Web site at:

deq.mt.gov/Energy/warmhomes/index.asp

Montana’s 10 HRDCs were key contacts for outreach and for making referrals to various programs. This assistance was viewed as important in helping people remain in their own homes.

SECTION E – SPECIAL POPULATIONS

I.E.1 MONTANA HOMELESS CONTINUUM OF CARE COALITION

HUD has initiated an array of policies to address the critical problem of homelessness in the United States. HUD's approach to breaking the cycle of homelessness is known as the Continuum of Care (CoC) and is an element of the consolidated planning process.

The Montana Continuum of Care Coalition (MT CoCC) for the Homeless is a statewide collaboration of diverse homeless service providers including nonprofits, faith-based organizations, and local and state governments. The coalition was formed to address Montana's challenge of having very few homeless resources to cover its vast geographical area. The system is predicated upon community and regionally based continuum of care systems, which form the statewide coalition and continuum of care process.

The MT CoC's mission is to maximize the resources that can be brought to bear in overcoming homelessness, to collectively direct the most efficient use of limited resources, and to promote a coordinated system of outreach, referral, information sharing, planning, and service. The MT CoC participants share the benefit of leveraging each other's resources and efforts to provide increased and coordinated services to all homeless across the state.

While the MT CoCC strives to meld and leverage programs and resources at the state level, it also strives to assure homeless persons access these programs through effective, coordinated case management and service delivery at the local level. It does so by encouraging strong community continuum of care organizations that brings all providers of homeless services together to identify needs, close gaps, coordinate client services across all programs, and to identify new and innovative approaches to eradicating homeless conditions.

I.E.2 HOMELESS NEEDS AND HOMELESS PREVENTION

Montana Statewide Homeless Survey Summary

The Montana Continuum of Care Coalition's current statewide homeless point-in-time survey has been conducted four concurrent years using a consistent protocol and survey instrument. The survey dates are consistent with the national HUD survey dates and include January 27, 2005 and January 31 in 2006, 2007, and 2008. The survey of Montana's homeless population is sponsored by the Intergovernmental Human Services Bureau of the MDPHHS, the HRDC Association, and the MTCoCC and is administered statewide in all 12 HRDC districts.

Survey efforts are largely focused in the major population centers of each district where there are organized emergency services (e.g., food banks, emergency shelters, soup

kitchens and transitional housing) geared to helping people who are experiencing homelessness. Outlying communities are included using field offices of service providers, most notably the HRDCs (a.k.a., community action agencies) in small communities. Over 217 organizations and 434 individual volunteers participated in reaching as many of Montana’s homeless people as possible. All surveys are scanned into a computer database and screened to eliminate duplicates.

Capturing homeless populations in remote rural areas can be especially challenging and while the survey falls short of scientific standards (lacking a known universe and faced with a number of uncontrolled variables), it nonetheless is providing consistent data that offers a valuable profile of homelessness in Montana.

The districts and their anchor cities are:

District 1.....	Wolf Point	District 7.....	Billings
District 2.....	Glendive	District 8.....	Helena
District 3.....	Miles City	District 9.....	Bozeman
District 4.....	Havre	District 10.....	Kalispell
District 5.....	Great Falls	District 11.....	Missoula
District 6.....	Lewistown	District 12.....	Butte

(See map on page 59.)

Homelessness in Montana wears many guises, but is often nearly invisible. Montana’s homeless may be found sleeping in cars, tents, or abandoned mobile homes and buildings. They might be in motels, hospitals, treatment facilities, jails, and emergency or transitional shelters. One-third of all Montana’s homeless (both individuals and family members) have been “unsheltered” or “on the streets,” and this appears to be growing in Montana according to direct service providers. The following numbers include respondents plus identified family member, using HUD definitions:

- 1,423 homeless persons identified on January 31, 2008
- 1,150 homeless persons identified January 31, 2007
- 1,331 homeless persons identified January 31, 2006
- 1,343 homeless persons identified January 27, 2005

More than two-thirds of Montana’s homeless population is consistently counted in the three districts anchored by Billings (District 7), Missoula (11), and Kalispell (12). In general, this distribution is out of proportion to the general population with these areas, which account for 68% of all homeless but only 47% of the state’s general population; however, the homeless count in these communities varies from year to year. For example, the Billings based district accounts for 18% of the state’s population but the share of homeless has varied over the past three years from 18% in 2008 to 25% in 2007 and 28% in 2006. The Kalispell area has about 14% of the state’s population and their homeless counts for the same years have been 17%, 7% and 14%, respectively.

Similarly, Missoula accounts for around 15% of the state's population and homeless accounts have ranged from 33% in 2008 to 30% in 2007 and 26% in 2006.

Montana Council on Homelessness

The Montana Council on Homelessness (MTCoH) was originally convened by Executive Order in June 2004. Governor Brian Schweitzer renewed Montana's commitment to ending homelessness through Executive Order 40-2006, signed in December 2006, which restructures the MTCoH and extends it until December 2008. Executive Order 40-2006 also directs the Montana Council on Homelessness to work with an Intergovernmental Team on Homelessness (ITH). As requested by the MTCoH, all state agencies who provide services to homeless individuals participate on the ITH. Additionally, the MTCoH invited representatives of federal, tribal, and local agencies who provide services to the homeless to participate on the Intergovernmental Team on Homelessness. The ITH will assist the MTCoH to prepare and implement the 10-year plan to end homelessness.

The Governor appointed 14 members to the MTCoH with expertise in a variety of areas. The Governor re-appointed Lt. Governor John Bohlinger and Hank Hudson, Administrator of the MDPHHS Human and Community Services Division, as co-chairs.

<ul style="list-style-type: none"> ▪ Co-Chair: John Bohlinger, Lt. Governor Helena ▪ Mary Berg, Career Futures Butte ▪ Robert Buzzas, Continuum of Care Coalition Bozeman ▪ Mary Guokas, Community Representative Helena ▪ Tom Huddleston, Veterans Representative Helena ▪ Doug Overman, Kalispell Police Department Kalispell ▪ Judy Stewart, Montana Health Care for the Homeless Billings 	<ul style="list-style-type: none"> ▪ Co-Chair: Hank Hudson, Administrator Helena ▪ Eric Burger, Great Falls Rescue Mission Great Falls ▪ Trish Flynn, Journey Recovery Billings ▪ Lafe Haugen, Public Housing Authority Lame Deer ▪ Gloria O'Rourke, MT Economic Developer Assoc. Anaconda ▪ Eric Sells, Western Montana Mental Health Missoula ▪ Nicolas Vrooman, Helena Indian Alliance Helena
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The MTCoH's first charge was to review, revise, adopt and implement the 10-year plan created by the 2004-2006 MTCoH. In April 2008, the MTCoH completed and adopted a living 10-year plan to end chronic homelessness and to impact homelessness overall and has undertaken a number of implementation steps.

With the mission of "To develop and implement strategies to prevent and reduce homelessness in Montana overall and to end chronic homelessness by 2014", the MTCoH:

- Advises the Governor and state agencies on policy issues related to the problems of the homeless, identifying available resources throughout the state and nation and

providing recommendations for joint and cooperative efforts and policy initiatives for programs to meet the needs of the homeless;

- Recommends to the Governor short- and long-term goals and annual priorities to reduce homelessness; and
- Provides an annual report to the Governor that includes the state of homelessness in Montana; progress that has been made toward ending chronic homelessness and reducing homelessness overall; accomplishments resulting from coordination, integration, and technical assistance; and identification of barriers to coordination among the agencies of the Intergovernmental Coordinating Team.

Discharge Coordination Policy

The MTCoH is committed to the objective of not discharging someone into homelessness. The MTCoH's work the past few years, coupled with research and outreach, has provided the foundation for a 10-year plan to address homelessness as it exists in Montana and to end chronic homelessness.

On a practical level, not discharging someone into homelessness is easier said than done, particularly with the corrections population. Many housing policies preclude serving felons, and federal policy prevents sexual and violent offenders from accessing public housing. This population does not have the resources to pay market rate for their housing, even if they can find someone to rent to them. Add in the lengthy wait for a housing choice voucher, and the problem of not discharging someone into homelessness becomes even more difficult.

One of the strategies implemented throughout Montana is to ensure that transition planners from the state prisons, prerelease facilities and the state hospital have SOAR (SSI/SSDI Outreach, Access and Recovery) training, so that appropriate candidates being discharged do so with access to some income and to Medicaid.

It is also very difficult to find housing for youth coming out of foster care. For someone with mental illness leaving a treatment facility, discharging to an emergency shelter (i.e., into homelessness) can often mean moving to the top of the list, thus being able to access mental health and other services in a more timely way.

The MDPHHS's Child and Family Services Division has an estimated \$365,000 in John H. Chaffee funds to provide direct services to assist eligible youth aging out of foster care and youth who have aged out of foster care. The purpose of these grants is in establishing, maintaining, and/or expanding services to current and former foster care youth age 16-21 in achieving self sufficiency, education, housing, mentors and employment.

Of the approximately 2,500 children placed in out-of-home care in Montana, approximately 30 percent are over age 12. In 2006, nearly 90 youth aged out of foster

care. From available data, 300-400 youth annually are expected to be eligible for the Montana Foster Care Independence Program (MFCIP) services.¹¹

In practice, persons with serious mental illnesses who are leaving treatment facilities may be discharged to an emergency shelter (i.e., into homelessness), which can often mean moving to the top of the waiting list for housing, thus being able to access mental health and other services in a more timely way. Without an immediate link to case management, housing providers are reporting that many coming out of homelessness, particularly those who have Serious and Disabling Mental Illness (SDMI) have a great deal of difficulty maintaining housing after finding it.

Activities to Address Homelessness

Activities occurred during the plan year addressing homeless prevention in communities across Montana. These activities included homeless prevention linked to community-based supportive living services.

- During the 2007 program year, the **CDBG** program awarded 2008 funding to the City of Kalispell in partnership with the Flathead Attention Youth Home and the City of Helena on behalf of the Montana Youth Home. Both youth homes provide a safe and structured living environment for abused, neglected, abandoned, and homeless boys and girls between the ages of ten and eighteen. CDBG funds for each youth home will help construct a safe new facility that will allow both programs to serve youths that are at risk of homelessness.
- At least four Montana cities now sponsor Stand Downs or access fairs for the homeless (sometimes known as Project Homeless Connect events). The events are designed to prevent or end homelessness by providing a one-stop setting where people who are homeless or at high risk of homelessness can access mainstream services. Communities throughout Montana have been extremely supportive of the events.
 - Approximately 140 attended the fourth annual Way Home event in **Helena**; the first year the event was held, approximately 17 persons attended. Every year, there have been more than 100 volunteers from all parts of the community including the Retired and Senior Volunteer program, churches, youth groups, AmeriCorps VISTAs, and others. More than two dozen agencies attended with information about programs and applications for services. Services and goods available in 2007 included funding from the Veterans Administration and numerous businesses and individuals; donated goods from many local stores; coats, boots and clothing from Good Samaritan; 150 pairs of new boots from the National Guard; socks, coats and blankets from a California foundation and local donors; groceries from Food Share; and sleeping bags and back packs for those sleeping outdoors. Showers were available and two hairdressers provided

¹¹ www.dphhs.mt.gov/legalresources/rfp/2008chafeerfp.pdf

haircuts. Home cooked meals sponsored by local grocery stores and cooked by the Moms Club were available. Doctors and nurses provided on-site services and referrals; at each event, a few people have been diagnosed with life-threatening health conditions, including diabetes and extremely high blood pressure.

- In 2007, more than 300 persons who were homeless or nearly homeless attended the **Missoula** Project Homeless Connect.
- More than 400 persons attended the Project Homeless Connect event in **Billings**. Billings reports that in March 2008, the Heights Wal-Mart donated over 250 cases of new clothes and “the store” was a highlight of the event. Forty service providers donated time and 108 community volunteers responded to the needs of the participants. Statistical information was gathered on the intake Pathways form from 313 people. Of those, 74% stated that they were homeless on that day and 33 people were experiencing chronic homelessness. Approximately 146 children were living with participants. The event reportedly garnered \$113,000 of in-kind contributions. Two successful additions to this year’s event were haircuts for 54 participants courtesy of the Academy of Nail, Skin and Hair and foot-care donated by Dr. O’Reilly. Reportedly, 1,200 services were rendered by 25 of the service providers. Billings also has an annual Stand Down geared to serving homeless military veterans.

These events have become institutionalized, with planning taking place year round. Consistent volunteer pools and funding streams have been located. Anecdotally, many people have reported that this event and knowing the community cares marked a turning point in their lives. Several have returned in subsequent years to serve as volunteers.

- Memorials for the Homeless for persons who have died during the year were held in Helena, Billings, and Missoula. These memorials have had the effect of substantially raising awareness statewide. More than 100 people attended the Helena Memorial this year and many persons who were (or had been) homeless took the opportunity to address the public, which included the mayor, the lieutenant governor, many members of the MTCoH, and other community members.
- Recently, more than three dozen agencies and MTCoH staff came together to prepare a Substance Abuse and Mental Health Treatment Administration (SAMHSA) Treatment for the Homeless grant application. Service providers expressed a significant need for case management services that can follow someone who is homeless and mentally ill or chemically dependent or has co-occurring disorders beyond the confines of a specific program. Additionally, without links to case management and services, most of these people who do find housing often “blow right out” again because of their multiple symptoms. In response, the community conceptualized a Rapid Access Center where persons who are homeless or at high risk of homelessness could gain nearly immediate access to a variety of self-selected services that included mental health or chemical dependency treatment, primary health care, housing, and case management.

- The MDOC was awarded \$463,080 through the 2005 HUD Homeless Continuum of Care funding to provide Shelter Plus Care vouchers providing housing linked to supportive services to 18 chronically homeless persons with severe disabling mental illness, and/or living with HIV. After somewhat of a slow start, 13 vouchers have been issued statewide. Efforts are underway to issue the remaining vouchers. This initiative represents an important partnership between MDOC housing capacity and MDPHHS funded support services.

I.E.3 NON-HOMELESS SPECIAL NEEDS

Persons with Disabilities

Activities occurred during the plan year addressing housing needs and choices of persons with disabilities in communities across Montana. These activities included housing linked to community-based supportive living services, enhanced accessibility rental housing, and homeownership activities.

Housing activities for persons with severe disabilities linked to supportive services are funded through the **HOME program**. In 2006, a grant was awarded to Garden City CHDO to acquire a property in Hamilton and develop an 8-bedroom residential treatment program for very low-income persons (0 to 30% AMI) with serious mental illness, which opened its doors during the program year. Five of the eight units are SRO transitional supportive housing, and three additional (non-HOME) units are residential crisis units for crisis/suicide stabilization. One HOME unit meets Section 504 Accessibility standards. Mental health counseling, the local hospital, and a Hamilton city park are nearby.

Since the inception of the program in 2005, the MDOC Section 8 Homeownership Voucher program has assisted 24 persons with their mortgage payments. The mortgage products available through the MBOH, Rural Development, and Fannie Mae were the primary first mortgage sources for these homebuyers.

The effort to open up more homeownership opportunities for persons with disabilities benefited from a partnership between the MBOH and Fannie Mae. Fannie Mae's My Community Mortgage products were offered through the statewide MBOH lending network at a below market rate (5.5% during the plan year). The My Community Mortgage Products include the HomeChoice[®] option, specifically targeted to the lending needs of persons with disabilities. This initiative enhanced access of persons with disabilities to home mortgage lending particularly those with disabilities that were not eligible for the Disabled Accessible Affordable MBOH program. The MBOH Disabled Accessible Affordable Mortgage program, targeting homebuyers who have disabilities requiring physical accommodations in their homes for below rate mortgages as low as 2.75% depending upon family income, continued to play a critical role in opening up homeownership to persons with disabilities.

Housing activities for persons with a mental illness were funded through the CDBG program for the 2007 program year. CDBG funds will help construct a new 5,000 sq ft psychiatric stabilization facility, with 12 bedrooms, in Butte-Silver Bow. The “Gilder House” facility will provide secure beds, voluntary beds, and social detox for low-income persons whose mental illness has risen to an acute psychiatric crisis.

Elderly

Activities occurred during the plan year addressing housing needs and choices of elderly persons Montana.

For 2008, the LIHTC program allocated tax credits to the Shoulder Blade Complex in Lame Deer for rehabilitation of a 35-unit elderly apartment building and for construction of the Castle Mountain Apartments in White Sulphur Springs, a 10-unit accessible apartment building to serve low-income seniors.

For 2007, the LIHTC and HOME programs allocated funds to Makoshika Estates for an 18-unit elderly apartment building in Glendive. The CDBG and LIHTC programs awarded funds for the Eagles Manor II Residences for the rehabilitation of 43 elderly units in Helena. The LIHTC program also allocated tax credits to Polson Meadows for 40 new elderly units located in Polson.

Victims of Domestic Violence

Helena’s Friendship Center, which received FFY 2005 HOME and CDBG funding, opened its new facility during the program year. The Friendship Center, which offers safe emergency and transitional housing and support services for victims of domestic violence and their families, is the only victim service program within the tri-county area of Lewis and Clark, Broadwater, and Jefferson counties.

SECTION F - OTHER ACTIONS UNDERTAKEN

I.F.1 ENHANCE INSTITUTIONAL STRUCTURE AND INTERAGENCY COOPERATION AND COORDINATION

Housing policies and housing program responsibilities are divided among a variety of agencies and organizations throughout both the state and federal governments. To aid in coordination and enhancement of program and agency efforts, the MDOC created the Housing Coordinating Team (HCT), a group of state and federal housing programs and nonprofit organizations that finance, regulate or provide housing related services. (See page 84 for HCT membership.) The group was formed to aid in directing and solving housing problems facing the state. The HCT seeks input from private citizens and local organizations on various housing related topics. The HCT was modeled after the Water, Wastewater, and Solid Waste Action Coordinating Team (W₂ASACT), which coordinates finances among state and federal agencies and provides assistance for community water and wastewater systems.

The goals of the HCT are to:

- increase coordination between the various housing agencies and programs;
- identify areas where there are impediments to affordable housing development;
- improve access to housing programs through education, including multi-agency workshops; and
- improve service delivery to funding recipients.

The MDOC's policy is to continue to refine and enhance application guidelines, forms, and workshops. To make the programs easier to access, the staff looks at streamlining documentation requirements each year. The MDOC also expanded its role in providing and interpreting information to aid localities in determining and quantifying their housing needs and problems and finding alternative solutions to those problems.

The HCT has recently made some operating changes. The leadership changed hands; Bruce Brensdaal, the Executive Director for the MBOH and Administrator for the Housing Division replaced Gerald Watne from the MBOH Multifamily program who had held the position for over three years. The HCT created five workgroups to focus on issues that were repeatedly being discussed at meetings.

- The first workgroup continues the work of coordinating audits and physical inspections by each housing program in order to decrease the need to enter tenant's homes and files.
- The second workgroup is developing processes to deliver technical assistance to communities and individuals requiring help with housing and infrastructure issues.

- The third workgroup researched the need for an online housing locator service and explored the possible solutions. A contract has been signed and the housing locator service should be available by July 2008.
- The fourth workgroup coordinates efforts to promote housing initiatives at the state and federal levels. The workgroup developed a streamlined list of initiatives that are of concern. Each HCT member individually determines the level of lobbying they are able to do according to their individual's job restrictions. The Federal Initiatives are located on the website, along with a corresponding document of talking points, which can be printed and easily used.
- The fifth workgroup gathered data on housing, incomes, units, structures, rents, etc., for each of the 56 counties in the state and assembled a "white paper". The paper describes the current picture of "affordable housing" in Montana and projects what the housing picture in Montana might be in 2020 if no action is taken. The working group hopes this document will illuminate the problems specifically facing affordable housing in Montana and give communities the reason to begin planning now. The HCT realizes and is emphasizing that each community will have its own set of problems. The working group plans to develop a toolbox that can be used by communities to solve each of their individual problems and concerns.

The Uniform Application (Uni-App) for Montana Housing Loan, Grant & Tax Credit programs was completed in 1998 and is used by the housing programs. The Uni-App Team included the environmental review section in the application that was designed to be compatible with all participating agencies. Applicants have used the Uni-App for several years and the HCT re-examines the Uni-App periodically to determine if any revisions are needed.

For more information on the HCT, go to: http://housing.mt.gov/HCT_main.asp

Housing Coordinating Team Membership

	Bruce Brensda HCT Chair Executive Director, MBOH Administrator, Housing Division MDOC Helena, MT	
Jason Adams, Executive Director Salish & Kootenai Housing Authority Pablo, MT	Lucy Brown, Director Billings Housing Authority Billings, MT	Webb Brown, Executive Director Montana Chamber of Commerce Helena, MT
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Penny Cope Marketing and Web Specialist MBOH Helena, MT	Cindy Donnell Rural Development USDA Helena, MT	Sherrie Downing Coordinator, Governor's Council on Homelessness Owner, Sherrie Downing Consulting Helena, MT
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The annual tax credit Qualified Allocation Plan information gathering meeting was held May 30-31, 2007 in Bozeman, Montana. Nearly 50 participants discussed the QAP and made recommendations to changes for the 2008 QAP. Those recommendations were brought forward at a hearing and presented to the MBOH board members for their consideration when making changes to the QAP for 2008.

MBOH staff from the Low Income Housing Tax Credit Compliance program held compliance training for all interested owners/managers of tax credit projects on September 11-13, 2007 in Fairmont Hot Springs. Annual compliance training is required. Over 90 participants gathered to get updates and changes in the IRS compliance processes.

The MBOH Executive Director/Housing Division Administrator sits on the board of directors for the Montana Financial Education Coalition. The MFEC strives to improve the personal financial knowledge and decision-making ability of Montana citizens by promoting public awareness of the need for personal financial education, and by uniting and building capacity of financial education programs. MFEC's objectives include building public and private capacity to more efficiently and effectively deliver financial education; promoting unity among financial education stakeholders; and raising public awareness of the need for personal financial education. The MBOH also hosts MFEC's Web site: <http://www.mtmfec.org/>

The state continues to expand its coordination with the private sector. Many banks, savings and loans, and other financial organizations involved in housing are interested in taking advantage of federally assisted housing improvement programs to meet their obligations under the federal Community Reinvestment Act (CRA). An ongoing example of CRA activity in Montana is the Glacier Affordable Housing Foundation (GAHF), formed by Glacier Bancorp, Inc. to assist low- and very low-income families in purchasing homes in Lewis and Clark, Flathead, Glacier, Lincoln, Sanders, and Lake counties. GAHF's Home Ownership Assistance program established a permanent revolving loan fund for continuing homebuyer assistance.

State housing and human service officials play a role in the activities of the Montana Home Choice Coalition. The coalition enhances understanding of the housing needs and desired housing choices of Montana citizens with disabilities. The coalition expects to enhance the housing opportunities of people and families with disabilities through this collaboration.

The Home Choice Coalition advocates for people with disabilities or families that have members with disabilities living with them and forms partnerships with agencies and financial institutions to provide homeownership, integrated community rental housing, supportive living housing, and other housing opportunities to these households. Coalition activities include promoting enhanced accessibility and Universal Design features in housing. The coalition provides a link between the housing and disability service communities to better serve the housing needs of persons with disabilities to

open up community living choices. The coalition's website is a tool for the housing and disability communities to better meet the housing needs of person with disabilities:

www.montanahomechoice.org

The Montana HomeOwnership Network (MHN) is a unique collaboration that has developed over the years in Montana to provide homeownership services to lower income families statewide. A network of organizations including NeighborWorks Great Falls (formerly Neighborhood Housing Services), the RC&Ds (Resource Conservation & Development Areas of NRCS/USDA), the HRDCs, the City of Billings, and homeWORD train potential homebuyers. In September of 2006, MHN became a NeighborWorks chartered organization, becoming a Neighborhood Reinvestment national affiliate. With help from Neighborhood Reinvestment scholarships, MHN "trains the trainers" and the MBOH and USDA Rural Development provide first mortgages. Local lenders package the loans. NHS and the MBOH provide second mortgages for down payments and closing costs.

The HOME program promoted and assisted nonprofit organizations and other entities in applying for and receiving certification as community housing development organizations. Funding for CHDOs allocated in the plan year ended March 31, 2008 grant competition totaled 25% of the grant awards, or \$1,091,912, including unmet CHDO set aside from 2006 of \$388,917. The total estimated cost of CHDO projects exceeded \$13.2 million. Current certified CHDOs include:

- Action for Eastern Montana, Glendive
- A.W.A.R.E., Inc., Anaconda
- BSW, Inc., Butte
- Eastern Montana Association of Affordable Housing, Billings
- Elkhorn Affordable Housing Corporation, Helena
- Garden City CHDO, Missoula
- Glacier Affordable Housing Foundation, Kalispell
- Great Northern Development Corp., Wolf Point
- homeWORD) Missoula
- Human Resource Development Council District IV, Havre
- District VI Human Resources Development Council, Lewistown
- District VII Human Resources Development Council, Billings
- District IX Human Resources Development Council, Bozeman
- District XI Human Resource Council, Missoula
- District XII Human Resource Council, Butte
- Lake County Community Housing, Ronan
- Montana HomeOwnership Network, Great Falls
- National Affordable Housing Network, Butte
- NeighborWorks Great Falls (formerly Neighborhood Housing Services)
- North Missoula Community Development Corp., Missoula
- Northwest Montana Human Resources, Inc., Kalispell
- Opportunities, Inc., Great Falls
- Resource Support and Development, Inc., Billings
- Rocky Mountain Development Council, Inc., Helena

The plan year ending March 31, 2008 represented more of a continuation of local development corporations who function as the subrecipients and administrators of CDBG-ED projects and subsequent revolving loan funds. Local development corporations are able to provide a broad range of business development services, which

include financing and technical assistance programs. Recognizing the economies of scale and efficiencies in sharing resources, the state encourages CDBG-ED projects be administered by a community development corporation that is preferably regional in its scope of services, experienced in administering CDBG-ED projects, and a track record of community lending.

Since the inception of the CDBG-ED program as a stand-alone program in 1989, the number of revolving loan funds has proliferated. The number of RLFs created and dollars under management is voluminous. Approximately eight projects per year have been funded over the past 10 years, resulting in 44 RLFs across the state, a secondary result of providing a loan to a business with CDBG-ED funds, which has provided a positive cash flow for regional loan funds.

The MDOC encourages local governments to contract with a regional development organization that has been qualified as a Certified Regional Development Corporations (CRDCs). The legislative intent of the CRDC program is to encourage a regional approach to economic development that facilitates the efficient delivery of economic development programs by supporting regional capacity building. CRDCs are responsible for helping local officials, communities and businesses “assess, plan, and facilitate action” within their regions. CRDCs are required to have the support of all counties and a majority of the incorporated cities and towns in their region to obtain and maintain certification. CRDCs receive regional capacity building grants from the MDOC on an annual basis. CRDCs manage regional revolving loan funds and are subject to all requirements as outlined in the CDBG publication *CDBG Program Income and Revolving Loan Fund Manual*.

The CDBG-ED program works with many financing and technical assistance programs within the Business Resources Division: the network of Small Business Development Centers, which are jointly funded by the MDOC and the U.S. Small Business Administration; Business Location and Recruitment; the International Trade Office; Census and Economic Information Center; Regional Development; MicroBusiness Finance; and outside the division, the Montana Board of Investments programs and the Governor’s Office of Economic Opportunity.

Business Resources Division staff continues to participate at meetings and workshops with local development corporations, the federal EDA representative, USDA Rural Development personnel, and economic developers across the state through Montana Economic Developers Association (MEDA). The CDBG-ED program also recognizes that housing and infrastructure are key components tied to economic development. Consequently, CDBG-ED works cooperatively with HOME and the CDBG public facilities and housing programs. CDBG-ED staff attends regularly scheduled W₂ASACT meetings. CDBG-ED staff continues to participate in the public involvement meetings for development of the Consolidated Plan.

In addition, state and local program administrators work closely with the Montana Job Service under the MDOLI. The Job Service handles the application process and screening for low- to moderate-income levels. The MDOC continues to work with them to better serve the CDBG-ED program. The Job Service now focuses on serving employers through their statewide network of Business Advocates. The BRD will continue to coordinate with them on training and technical assistance activities.

The MDOC oversees the Big Sky Economic Development Trust Fund that was created to aide in developing good-paying jobs for Montana residents and promoting long-term, stable economic growth in Montana. Interest-only earnings from the trust fund are available for financial assistance to local governments and economic development organizations through application to the MDOC. Seventy-five percent of trust fund earnings are awarded annually to local governments in the form of grants and loans for economic development projects that create new qualifying jobs for Montana residents. The remaining 25% of trust fund earnings are awarded in the form of grants to support economic development planning activities by CRDCs and other local economic development corporations.

The MicroBusiness Finance program supports a statewide network of nonprofit agencies certified by the state to administer revolving loan funds lending directly to businesses in Montana. These loan funds make loans available for economically sound business projects that may be unable to obtain adequate commercial financing. Qualified applicants may borrow up to \$35,000 to start or expand their business. The loan proceeds may be used for working capital and fixed assets. Credit decisions are based on a business plan noting repayment ability, a credit report, and management capability. Because the MicroBusiness Development Corporation (MBDC) works closely with each applicant, criteria such as collateral and credit history are evaluated on an individual basis. Terms and conditions of each loan depend on the applicant's needs, the business plan feasibility, and the useful life of the collateral.

The MDOC is an active member of the Montana Economic Developers Association, a statewide association of economic development professionals, including professional "lead" economic developers, business specialists, government employees, and staff members of affiliated nonprofit organizations that promote and foster economic development activities in Montana. MEDA is a private nonprofit organization created to increase the effectiveness of local economic development efforts by acting as a statewide resource for its membership.

MEDA sponsors educational seminars, workshops, and conferences to advance the economic development profession. It coordinates statewide economic development workshops that provide intense training for economic developers interested in obtaining professional certification. It conducts research to stimulate the interchange of ideas and experiences between individuals with mutual goals and interests. MEDA also develops network and communications systems to disseminate information and acts as a

clearinghouse and contact point within Montana for other state, regional, national, and international economic development organizations and agencies.

The Community Development Division continued its participation in W₂ASACT. W₂ASACT is a group of professionals from state and federal governments, and nonprofit organizations that finance, regulate, and/or provide technical assistance for infrastructure, principally drinking water and wastewater systems. Meeting bimonthly, W₂ASACT explores and coordinates a wide range of activities linked to improving the environmental infrastructure of local governments and unincorporated communities across Montana. W₂ASACT regularly sponsors and coordinates annual seminars statewide to explain the various financial programs and resources available to assist local governments in funding their infrastructure needs. Civil engineers, local government representatives, and technical assistance providers are invited to present comprehensive information regarding environmental infrastructure projects. W₂ASACT subcommittees address issues of community planning and environment regulation in order to streamline the application and project implementation process for small rural communities.

The CDD continued to utilize a Uniform Application for public facility projects mutually developed and shared by W₂ASACT agencies. Additionally, the CDBG program participated in joint public facility application workshops in cooperation with the Treasure State Endowment Program, MDNRC Renewable Resources program, USDA Rural Development, INTERCAP, and MDEQ State Revolving Fund. These activities were carried out in cooperation with W₂ASACT.

I.F.2 FOSTER AND MAINTAIN AFFORDABLE HOUSING AND ELIMINATE BARRIERS TO AFFORDABLE HOUSING

The Housing Locator Subcommittee of the HCT has begun work on a website for property owners to list vacant rental units around the state to help Montanans find and secure affordable housing. The website, which should go “live” in July 2008, will be a resource for low- and moderate-income Montanans as well as renters at any other income level. The functionality of the Housing Locator service will be that anyone can enter the ZIP code of the city in which they are looking for housing and the preferred rent amount, number of bedrooms, accessibility features, etc. The service will provide information on all available rentals that fit the search criteria in the ZIP code area.

The Uniform Application for Montana Housing Loan, Grant & Tax Credit Programs was completed in 1998 and is now used by all the programs. The HCT continues to work on developing common compliance monitoring forms and procedures.

As discussed in I.D.1, the MDOC created the HCT to promote interagency cooperation and coordination. The members of the HCT meet periodically throughout the year and develop goals and objectives, share program information, identify housing activity, and develop ideas to pursue further coordination with individual housing providers and local

organizations. The HCT participated in developing the *Housing Resource Directory*, the Uniform Application for housing programs, and joint workshops.

The Montana Home Choice Coalition, formally convened in the summer of 2002, continues its mission to create better community housing choices for all people with disabilities by working through a coalition of Montana citizens, advocates, providers, local, tribal, state and federal agencies, the housing finance community, realtors, and the home building industry.

The coalition, through its lead agency A.W.A.R.E., Inc., focuses on three general housing development goals: expanding homeownership to people with disabilities; creating Olmstead-related community housing solutions for people with disabilities currently residing in institutions; and creating Universal Design, fully accessible, community-integrated affordable housing. The coalition provides technical assistance and education efforts aimed at building the capacity of the disability community to access mainstream housing resources and to engage directly or in partnership in housing development activity. The coalition assists any individual or organization working to create better housing choices for Montana citizens with disabilities.

I.F.3 PUBLIC HOUSING RESIDENT INITIATIVES

The Housing Division acts as the state PHA administering Section 8 tenant-based assistance. The MDOC does not own or directly manage public housing projects; therefore, the state has not undertaken any specific public housing resident initiatives.

I.F.4 LEAD-BASED PAINT (LBP) HAZARD REDUCTION

Montana is a rural state composed of three CDBG and HOME entitlement communities (Billings, Great Falls, and Missoula) and seven Native American Reservations with sovereign governments. Based on the number of houses in Montana that were built in 1979 or before, it is estimated that there are nearly 285,500 Montana units at risk of containing lead-based paint. Although this is approximately 69% of the housing units in the state, it is important to note that one cannot assume all of these units contain lead-based paint and the presence of lead-based paint alone does not indicate the extent of exposure hazards. Education and awareness of the potential hazards and the need to properly maintain, control, and abate paint potentially containing lead is crucial.

The state has made progress in securing EPA-certified Inspectors, Risk Assessors, Supervisors, and Workers since the lead-based paint regulations for pre-1978 homes, known as Title X, Section 1012/1013, went into effect on September 15, 2000. Participating communities are finding creative solutions to address LBP regulations. Even very rural towns have partnered with agencies that are able to conduct LBP risk assessments and clearance tests.

In 2000, Montana partnered with the Montana State University Extension Service to bring EPA-certified trainers from North Dakota to Montana to conduct two training seminars: one for LBP inspector and LBP risk assessor training and one for LBP supervisors and LBP workers. Many people attended the training; however, after careful consideration, over three-fourths opted not to continue the certification process. The reasons for their decision varied, but included travel restrictions, excessively high EPA certification costs, a very cumbersome certification process imposed by EPA and HUD, and the cost of liability insurance.

In 2005, the MDOC paid to have Montana State University Extension Service gain accreditation to train EPA-certified Inspectors and Risk Assessors. The MSU Extension Service is now accredited to provide this certification training in Montana, South Dakota, Wyoming, and all Region 8 Tribal Lands.

The MDOC promotes free LBP training whenever it is offered in the state. However, early on, scheduled training was often cancelled due to perceived low enrollment. The cancellation of courses by HUD created a “credibility issue” and people interested in the training were reluctant to sign up for it because of the uncertainty involved. It is difficult to get large numbers of people in one location for training due to the large geographic area and sparse population in Montana. Better results have been achieved with the free training sponsored by the National Paint and Coatings Association (NPCA). This no-cost training program, which meets the HUD-EPA curriculum, is sponsored by the NPCA and is the result of a cooperative agreement between the NPCA and the individual states. For more information, go to <http://www.leadstetraining.org>

The more populated areas of the state have workers trained in lead-safe work practices, qualifying them to work on rehab projects costing less than \$25,000. This covers most of the single-family rehabilitation projects conducted with federal funds. Rural areas of the state, where rehabilitation is often the largest part of housing strategies, remain less prepared to address lead-based paint hazards. A significant portion of rehabilitation program budgets now goes to addressing LBP hazards.

The MDOC does not have a lead testing or abatement program in place at this time and does not plan to test or study housing units located in the state, other than HOME or CDBG assisted units. For projects assisted with HOME or CDBG funds, grantees are required to ensure that the appropriate notification, inspection, testing, interim controls or abatement, and clearance activities are followed. In addition, the HOME and CDBG programs present information on the LBP regulations and lead-safe work practices at its application and grant administration workshops. Further, the MDOC promotes lead-based paint training whenever it is aware of it being offered in the state.

The state does have an accredited lead analysis laboratory, Northern Analytical Laboratories of Billings, which can perform analyses on paint chips, dust wipes, and soil. The state also has several individual contractors and a few companies certified to

perform LBP activities within the state; however, coverage is spotty, and the construction industry and the persons involved in construction are constantly changing.

Lead in Montana

In Montana, some occupations have an increased risk of lead poisoning. Ammunition re-loaders can be exposed to lead dust from lead shot. People remodeling older homes can inhale lead dust when they disturb walls with lead paint. Those making stained glass can inhale the fumes from the hot lead solder. Children often are exposed to dust containing lead in older homes that have lead paint on the walls or when they play in soil contaminated with lead. Some areas of Montana have high lead levels in the soil or water because of a nearby smelter. Lead is also an air pollutant tracked by the EPA.

Butte and East Helena are two areas affected by historical industrial smelting. Both have lead screening programs in place for children and there are soil abatement procedures in areas of high concentrations. There was a coordinated Montana Lead program from 1994 to 2001. This statewide program has been discontinued due to lack of funding. Active lead screening and abatement programs, however, continue at some local health departments. Lab results of blood lead levels from around the state continue to be reported to the MDPHHS.¹²

Lead poisoning is a reportable condition, and all blood lead levels over 10 ug/dL, the Centers for Disease Control cutoff for action, must be reported to MDPHHS. Unfortunately, there is no mandate to ensure that lead testing is conducted. Adults who work in lead processing industries and children in low-income households or who live or play in pre-1950 housing should be tested for lead poisoning. In Montana, less than 0.1% of the children under six years of age have been screened for lead poisoning. CDC recommends that children be tested for lead at 12 months and at 24 months of age. Among children less than six years of age who had been screened for lead from 2000 to April 2004, 2% had a high blood lead level (88 children). Among adults screened in 2004, 1% had a high lead level (2 adults).¹³

I.F.5 ANTIPOVERTY STRATEGY

Montana has a high proportion of families who live near the official poverty level. It is the goal of the state to assist these families to improve their standard of living and escape poverty. The state utilizes a number of strategies to accomplish this goal.

Montana is committed to utilizing employment as a primary strategy for poverty reduction. The state has a well-coordinated employment and training system, which

¹² For more information, contact the Montana Department of Public Health and Human Services or go to the Web site at <http://www.dphhs.mt.gov/epht/lead.shtml>

¹³ **DRAFT** *Measures of Environmental Health in Montana*; Montana Department of Public Health and Human Services Environmental Public Health Tracking Program; March 2005: www.dphhs.mt.gov/epht/measures%207.22.pdf

ensures that resources for advancement through employment, such as the Workforce Investment Act, Temporary Assistance for Needy Families, and state resources such as higher education and economic development, are available to low-income families. Administrators of these programs meet regularly to ensure coordination and results.

The state of Montana operates Families Achieving Independence in Montana (FAIM) to provide temporary assistance for needy families.¹⁴ The FAIM Project serves all political subdivisions in the state. In Montana, three tribes, the Confederated Salish and Kootenai on the Flathead Reservation, the Fort Belknap Indian Community, and the Chippewa Cree at Rocky Boy's, have chosen to implement a tribal TANF plan. The TANF cash assistance program provides job readiness preparation, supportive services, and case management; vigorously pursues child support; and assists in the development of community resources as a means to help families reach self-support.

TANF cash assistance program participants are considered eligible for Medicaid coverage if they meet Medicaid eligibility requirements. Adults have Basic Medicaid coverage; minor children, pregnant women, and disabled individuals receive full Medicaid coverage as stated in the Montana Medicaid State Plan. Participants are also considered categorically eligible for Food Stamp program benefits.

Services funded with TANF funds include:

- cash assistance for the purchase of basic needs such as food, clothing, housing and personal care items.
- work supports such as transportation, vehicle repair, and items that assist individuals in continuing employment or becoming employed.
- education and training, excluding tuition.

The state provides a series of work supports to stabilize families as they increase their skills and seek better employment, including TANF, food stamps, energy assistance, health care, childcare, housing assistance, and advocacy.

The Executive Branch is committed to a comprehensive approach to poverty reduction. Agencies serving low-income families have been included in a series of economic development activities. The governor has supported a comprehensive effort to end chronic homelessness in Montana.

Additionally, on May 17, 2006, the governor announced a \$1.5 million demonstration project aimed at improving the economic security of low-income families. The project will be funded with part of a "high-performance bonus" the state received for its success in facilitating employment for people who get cash assistance through the TANF

¹⁴ For more information, contact the Montana Department of Public Health and Human Services, Human and Community Services Division, or go to the Web site at:

www.dphhs.mt.gov/aboutus/divisions/humancommunityservices/relatedtopics/index.shtml

program. The project will be administered by the MDPHHS and will help communities develop innovative services designed to help low-income families who currently receive TANF cash assistance or who have been recipients in the past year. Services will provide tools to improve financial literacy and build personal assets. The MDPHHS issued a request for proposals for services that include, but are not limited to:

- A comprehensive curriculum to increase families' knowledge of finances, including credit options, tax incentives, savings benefits, and lending issues.
- A strategy for financial asset development for such options as home ownership and individual development accounts.
- A curriculum that trains individuals on starting a new business; and education or training in high-demand employment fields.

SECTION G - HOUSEHOLDS AND PERSONS ASSISTED

The state of Montana, excluding the entitlement areas of Great Falls, Billings, and Missoula, delivered housing services and programs to a significant number of households and individuals from April 1, 2007 through March 31, 2008. However, a comprehensive count of the number and types of households assisted with housing by the HOME and CDBG program during the plan year is difficult to obtain since the two programs have disparate tracking and reporting requirements in IDIS.

The Montana **HOME program** aided 232 households with rental assistance and home ownership assistance. In total, 129 households were reported as receiving some type of rental assistance, either tenant based rental assistance (TBRA) or rental housing. Another 103 received homeownership assistance, either rehabilitation for existing homeowners or down payment and closing cost assistance for homebuyers.¹⁵

Existing homeowners received rehabilitation assistance to bring their property up to decent, safe, and sanitary conditions. The HOME program reported 13 households assisted with some type of rehabilitation, with three (23%) of the households having an income at or below 30% of AMI. Additionally, 90 households, including 34% at 50% or less of area mediana income (AMI), were able to purchase their own homes after receiving down payment or closing cost assistance or both.¹⁶

The Montana **CDBG program** reported serving 264 households¹⁷ with some type of housing assistance including rental housing, homebuyer assistance, and homeowner rehabilitation for the period April 1, 2007 through March 31, 2008. Of the persons and households receiving housing assistance during the plan year, 261 had incomes at or below 80% of AMI.

The MDOC **Tenant Based Section 8** Housing Assistance program reported that of the 3,223¹⁸ households receiving assistance:

- 382 were identified as having an elderly head of household
- 1,297 were single-person households
- 1,315 were small, related, non-elderly households (2-4 people)
- 229 were large, related non-elderly households (5+ people)
- 3,215 households for which the income level was reported had incomes 50% or less of AMI
 - 630 of those households had incomes at 30% or less of AMI

¹⁵ IDIS CO4PR23 Report, Program Year 2007 Summary of Accomplishments

¹⁶ *Ibid.*

¹⁷ *Ibid.*

¹⁸ The income level for some households was not available because the households came on the Section 8 program before income targeting was implemented.

- 1,286 special needs households, received Section 8 rental assistance
 - 1,283 of the special needs households had incomes 50% or less AMI
 - 1,052 of those had incomes at 30% or less of AMI

The racial and ethnic composition of persons and households receiving assistance is presented in the table below.

Racial/Ethnic Composition	# of People (Members)		Households
	Non-Hispanic	Hispanic	
White	5,390	215	2,904
Black / African American	99	8	44
Asian	23	0	12
American Indian/Alaska Native	2,021	63	734
Native Hawaiian / Other Pacific Islander	12	2	4
American Indian / Alaska Native & White	33	2	15
Asian & White	3	0	2
Black / African American & White	4	0	0
American Indian / Alaska Native & Black / African American	5	0	1
Other Multi Racial	9	0	1
Totals	7,599	290	3,717

An accurate count of homeless households receiving assistance is difficult to obtain. Many shelters only count the number of meals served or the total number of shelter nights. This can result in families and individuals being counted several times based on how long they remain at a shelter. See the following 2008 Homeless Population and Subpopulations Chart for data from the 2008 point-in-time count

Continuum of Care Homeless Population and Subpopulations Chart				
(Date of point-in-time count: 01/31/2008)				
Part 1: Homeless Population	Sheltered		Unsheltered	Total
	Emergency	Transitional		
1. Number of Households with Dependent Children	49	84	21	154
1a. Total Number of Persons in these Households (adults and children)	150	240	59	449
2. Number of Households without Dependent Children***	371	168	305	844
2a. Total Number of Persons in these Households	430	193	351	974
Total Persons (Add Lines 1a and 2a)	580	433	410	1,423
Part 2: Homeless Subpopulations	Sheltered		Unsheltered	Total
a. Chronically Homeless	73		88	161
b. Severely Mentally Ill	93		48	141
c. Chronic Substance Abuse	72		35	107
d. Veterans	151		129	280
e. Persons with HIV/AIDS	3		*	3
f. Victims of Domestic Violence	101		13	114
g. Unaccompanied Youth (Under 18)	53		27	80

Through the HRDCs, the **ESG program** provides essential services, shelter maintenance, and homeless prevention services. The program year is 5/1/2007–4/30/2008, and the HRDCs have 30 days (until May 30) to complete final reports. The

ten HRDCs reported serving 24,448 individuals directly or through subcontracts. Those served were comprised of:

- 21,743 residents, including 19,397 adults, 2,166 children and 180 unknown
 - 5,564 non-residents
 - 21,094 were white, of which 884 were Hispanic
 - 769 were Black/African American, of which 2 were Hispanic
 - 75 were Asian, of which 1 was Hispanic
 - 2,999 were American Indian/Alaskan Native, of which 11 were Hispanic
 - 32 were Native Hawaiian/Other Pacific Islander
 - 71 were American Indian/Alaskan Native/White
 - 7 were Asian/White
 - 19 were Black/African American/White
 - 9 were American Indian/Alaska Native/Black African American
 - 102 were Other Multi-Racial
- 17,262 were chronically homeless; 928 severely mentally ill; 770 chronic substance abuse; 697 other disabilities; 9 with HIV/AIDS; 385 elderly; 2385 victims of sexual assault; 337 veterans
- 3,087 nights of shelter lodging and 770 hotel/motel nights were provided

The tri-state **HOPWA program** grant was renewed for an additional three-year period of June 30, 2005 through June 29, 2008. The Yellowstone AIDS Project (YAP) receives \$120,461 per year. In February 2006, an additional grant was received for three years in the amount of \$437,293 or \$145,764 annually, which increased tenant-based rental assistance for an additional 15 individuals.

YAP, serving the MT-Billings Eastern Region that includes 40 counties, reported serving 53 clients accessing the program. The clients received assistance enabling them to live in a stable housing situation and to access caseworkers and medical services consistently, ultimately improving their quality of life.

Male: 38 Female: 15

Average Age: 31 - 50 years

American Indian/Alaska Native: 7

Black/African American: 3

Special Needs Category:

Chronically Homeless..... 5 Veterans 2 Domestic Violence Survivor 8

YAP was able to provide TBRA to assist 38 individuals and short-term emergency assistance for 15 individuals, as well case management and referral services.

The Missoula AIDS Council (MAC) receives \$120,461 per year. In February 2006, an additional grant was received for three years in the amount of \$437,293 or \$145,764 annually, which increased tenant-based rental assistance for an additional 15 individuals.

MAC serves the MT-Missoula Western Region, which includes 16 counties. MAC reported 46 clients accessing the program. The clients received assistance enabling them to live in a stable housing situation and to access caseworkers and medical services consistently, ultimately improving their quality of life.

Male: 37 Female: 9

Average Age: 31 - 50 years

American Indian/Alaska Native: 10

Black/African American: 0

Special Needs Category:

Chronically Homeless.....2 Veterans.... 4 Domestic Violence Survivor 8

MAC was able to provide TBRA to assist 38 individuals and short-term emergency assistance for 8 individuals as well as case management and referral services.

The state does not have specific goals for the delivery of housing programs and services to social and ethnic minorities and does not track assistance goals in this manner. However, the incidence of program support for minorities surpasses their respective share of the statewide population.

PART II

ASSESSMENT OF ANNUAL PERFORMANCE

PART II - ASSESSMENT OF ANNUAL PERFORMANCE

SECTION A - EFFECTIVENESS OF STATE'S PERFORMANCE

II.A.1 STATE'S EFFECTIVENESS IN MEETING ONE-YEAR (2007-2008) PROGRAM OBJECTIVES

No single approach or unique priority fits all regions of Montana equally well. Acceptably addressing the range of needs, while allocating resources equitably, makes for a complicated housing and community development policy agenda. Nevertheless, Montana is committed to moving forward with a concrete set of objectives to address the needs of its low- and moderate-income families.

Housing

Housing needs across Montana vary widely. There is a broad array of housing availability, affordability, and suitability issues across the state. Extreme diversity in available housing, age of housing stock, and overall range in population density complicate assessments of degree and type of need. Resources are not adequate to address all housing needs and requirements throughout the state.

As a state agency administering housing programs, the MDOC does not prescribe to local governments and CHDOs the priority needs within their communities. The needs identified and prioritized at the state level may not retain a similar priority rating for implementation at local levels. All needs in Montana are great; the statewide priority need levels described in the Montana Housing Priority Needs Summary Table¹⁹ represent only a general indication of needs throughout Montana.

Faced with the overwhelming demand for affordable housing, the state implemented programs and delivered resources to in-need populations around Montana in an attempt to continually address the state's housing needs. No single objective has the same priority in all of Montana's communities. Likewise, no single action can meet the specific housing objectives of any given community. Nevertheless, the MDOC committed to moving forward with the following housing objectives and actions during the plan year.

- *Provide homeownership opportunities to low- and moderate-income households throughout Montana.*
 - The **HOME program** made funds available for homeowner rehabilitation and homebuyer programs throughout the state. In program year 2007, the HOME program allocated \$2,048,507 for single family projects through the Single Family Allocation Pilot Program. In addition, the program allocated \$30,435 in ADDI funds to Montana's three entitlement communities, Billings, Great Falls and

¹⁹ State of Montana Five-Year Consolidated Plan, April 1, 2005 – March 31, 2010, page 41.

Missoula, which do not receive ADDI funds from HUD. HOME continued to provide funds for rehab and homebuyer grants previously awarded.

- The MBOH continued to make bond funds available to assist a total of 1,681 low-to moderate-income homebuyers during the year with \$209.2 million of financing. However, provision of the regular bond program loans was severely curtailed in January, February, and March due to the dislocation of the mortgage revenue bond market as an effect of the subprime mortgage crisis.
- The MBOH continued to operate the Mortgage Credit Certificate program, which began operation in April 2003 and was reauthorized in January 2006 and reauthorized again in March of 2008. During the year, \$565,278 in credit authority assisted 17 eligible homebuyers and the MBOH anticipates this will continue to grow over the next several years.
- The MBOH continued to make funds available through the Single Family Recycled Mortgage program to lower income persons and families who do not have the financial capabilities to purchase safe and sanitary housing through other single-family programs. The MBOH made approximately \$22.8 million available for financing to 240 low-income families.
- The MBOH continued to make funds available through the Disabled Accessible Affordable Homeownership program to provide architecturally accessible homes for persons with permanent disabilities and mobility impairments. During the past year, the MBOH assisted 12 families with \$1,020,792 in mortgages.
- The HOME and CDBG programs continued to encourage leveraging funds with weatherization programs administered throughout the state.
- The HOME and CDBG programs continued to require projects to conform to federal and state energy efficiency standards. Beginning in the 2007 funding year, the LIHTC and HOME programs provided bonus points through its competitive application process for projects that include energy efficiency and green building components.
- The HOME program required homebuyer education classes for all homebuyers assisted with HOME funds as a condition of receiving the funds.
- The MDOC collaborated on obtaining funds for organizations that provide homebuyer training and helped to strengthen a statewide partnership for homebuyer education and counseling, including all seven Indian Reservations. The MBOH contributed over \$200,000 of its own funds to support this effort.
- The MDOC continued to explore creative means to deliver homebuyer training in rural areas, including the use of web casts and video conferencing for homebuyer education, especially in remote areas.
- The MDOC continued to increase awareness of and monitor the level of predatory lending practices by supporting legislation to reform the payday and title loan industry, including participating in the Montana Alliance for Responsible Finance and the Montana Financial Education Coalition.

- The MDOC continued to support the Section 8 Homeownership Voucher program. Eleven agencies are authorized to participate in the homeownership program and 24 households around the state have been assisted.
 - The MBOH coordinated with educational institutions to facilitate technical construction, weatherization and home-improvement courses.
 - The MDOC supported private foundations committed to leveraging federal dollars for affordable housing throughout the state.
 - The MDOC continued to support the Montana House™. The MBOH worked in partnership with the Anaconda Job Corps and the Blackfeet Community College to construct one-story homes: a 960 square foot, two-bedroom, one-bath home or a 1,200 square foot, three-bedroom, two-bath home (see page 71). Five Montana House™ homes have been completed. Four of the homes have been located in Great Falls; the fifth house was moved onto the Blackfeet Reservation.
- *Improve the quality and availability of affordable rental housing for low- and moderate-income households.*
- HOME funds were awarded to rehabilitate existing and construct new rental housing. The program awarded three grants totaling \$1,150,000 to the city of Lewistown, Action for Eastern Montana (Glendive), and homeWORD (Missoula) to construct or rehabilitate rental housing with a total of 55 HOME-assisted units; 77 total units. HOME also continued to distribute funds to previously awarded rental projects.
 - LIHTC program funds were awarded to construct or preserve 186 units of rental housing around the state.
 - The Section 8 housing choice voucher program provided essential rental subsidy to 3,223 very low- and low-income Montanans.
 - The MBOH offered permanent mortgage financing for affordable rental housing in partnership with HUD's Risk Sharing program, which provides mortgage loan insurance. Although no loans were made during the program year, the program remains available.
 - The MBOH offered permanent mortgage financing through its General Obligation program, which issues tax-exempt bonds to finance projects that do not have mortgage insurance. Although no projects were funded during the program year, the program remains available.
 - The MDOC supported the Mountain Plains Equity Group, Inc. (MPEG). The MBOH joined with the North Dakota Housing Finance Agency and the Wyoming Community Development Authority to form the MPEG. The purpose of the investment group is to support the development of affordable multi-family housing in communities throughout the tri-state area. Smaller projects, particularly in rural communities, can be expensive and difficult for housing authorities, nonprofit entities, and other developers to put together. MPEG help to

ease the development of multi-family housing. MPEG is structured as a nonprofit corporation to make investments in LIHTC projects and potentially historic tax credit projects.

➤ *Provide housing options for the elderly and special needs populations.*²⁰

- The MBOH marketed and supported the Reverse Annuity Mortgage Loan program, which enables Montana homeowners over 68 years old to provide for their own in-home support by utilizing cash from a reverse annuity mortgage. Through March 31, 2008, the RAM program had assisted 159 senior households since it began taking applications.
- The MDOC addressed the perceived need for assisted living housing for the elderly by commissioning a study in 2006 on elderly housing issues in rural areas. *A Guide to Assessing Senior Assisted Living Needs in Your Community*, can be accessed at: http://housing.mt.gov/Hous_CP_SrHsg.asp.
- CDBG funds were used to develop projects targeted to physically, developmentally, mentally disabled, elderly households, including the new construction of the Butte-Silver Bow “Gilder House,” a psychiatric crisis stabilization facility.
- MDOC funds, including HOME, CDBG, MBOH, and Section 8 homeownership vouchers, continue to be used in conjunction with the Montana Home Choice Coalition for group living and homeownership opportunities for persons with severe and disabling mental illness and other disabilities.
- The MBOH made funds available through the Disabled Accessible Affordable Homeownership program to provide architecturally accessible homes for persons with permanent disabilities and mobility impairments. The MBOH financed nine homes for \$1,020,792. The average income of program participants was \$22,315.
- The MBOH in partnership with Fannie Mae offered through its lending network the Fannie Mae MyMontanaMortgage product including the HomeChoice option targeted at the homeownership needs of individuals and families with disabilities to provide a below market interest rate mortgage to persons with disabilities that do not require architecturally accessible homes or other physical modifications be made to the home. This program assisted one household.
- The MDOC continued to support education regarding universal design and accessibility requirements in order to increase the number of accessible multi- and single-family units available.

➤ *Affirmatively further fair housing and implement objectives and actions identified in the Analysis of Impediments to Fair Housing*²¹.

²⁰ HUD defines special needs households as a household where one or more persons have mobility impairments or disabilities, i.e., mental, physical, developmental, persons with HIV/AIDS; or with alcohol or other drug addiction that may require housing with supportive services.

- All HOME and CDBG grantees are required to abide by fair housing laws and take actions to provide housing services and programs free of discrimination.
- Records were maintained reflecting the analysis and actions taken, if applicable.
- Steps were taken to improve the understanding of fair housing law and proper construction practices by continuing to publish and distribute fair housing educational materials and guides.
- Steps were taken to enhance coordination among members of Montana's affordable housing community by:
 - Encouraging partnerships among the disabled community, builders, housing developers, and other housing providers.
 - Identifying and defining sources of information to which questions about 504 design and construction standards and 504 compliance can be referred; and
 - Urging developers and builders to contact the disabled community directly.
 - Increasing the MDOC's role as an information clearinghouse by including additional information on the Housing Division website:
 - Montana Landlord/Tenant Law;
 - Federal and Montana fair housing laws; and
 - ADA and 504 design and construction standards.
 - Providing a list of "housing rights, fair housing advocates, legal assistance, and other resources" as a "featured resource" on its Web page:

<http://housing.mt.gov/>

Originally developed as a component of the *Montana Housing Resource Directory*²², the listing provides basic information on where citizens can find assistance for issues relating to housing rights, fair housing, legal issues, etc.²³

- The Housing Locator Subcommittee of the HCT is working on a website for property owners to list vacant rental units around the state to help Montanans find and secure affordable housing. The free website, which should go "live" in July 2008, will be a resource for low- and moderate-income Montanans as well

²¹ *Analysis of Impediments to Fair Housing and Housing Choice*, Western Economic Services, LLC, November 2004.

²² *Montana Housing Resource Directory*, Montana Department of Commerce, November 2007; http://housing.mt.gov/Hous_CP_HsgResDir.asp

²³ The material included in the directory is not intended as legal advice or as a promotion or guarantee of the reliability or appropriateness of programs, businesses and individuals listed or linked. In certain instances, readers of the directory may want to consult with legal counsel. The MDOC assumes no liability for the content of information provided in the directory or the content of links listed in the directory.

as renters at any other income level. It is anticipated the locator service will assist landlords in meeting affirmative marketing requirements.

- MDOC staff participated in the HUD-sponsored Fair Housing and 504 Accessibility Training held in Helena on August 28-29, 2007.

➤ *Decrease housing environmental hazards, such as lead-based paint and asbestos.*

The programs:

- Enforced all applicable federal and state environmental laws.
- Presented information on the LBP regulations and lead-safe work practices at its application and grant administration workshops.
- Continued to require the appropriate notification, inspection, testing, interim controls or abatement, and clearance activities are followed.
- Continued to promote lead-based paint training when available in the state.

➤ *Continually improve the efficiency of the MDOC housing programs.*

- The MDOC marketed the resources available to acquire, build, preserve, or rehabilitate affordable housing units by continuing the participation of the HOME and CDBG program staff in joint affordable housing application workshops each year. Other participating programs include the MBOH Low Income Housing Tax Credit program and USDA Rural Development Housing programs. The 2007 Joint Housing Application Workshops were held in Sidney, Red Lodge, and Polson during November 2008.
- Through the Housing Coordinating Team, the HOME, CDBG, MBOH, and USDA Rural Development staffs participated in efforts to simplify and standardize housing program delivery in Montana through the use of the Uniform Application.
- The MBOH and Housing Division staff explored options to improve compliance monitoring functions to help existing projects.
- The HOME program examines its allocation procedure in order to simplify and maximize the efficiency with which HOME funds are allocated and to ensure that they are being leveraged to the greatest extent possible. This has resulted in the Single Family Allocation Pilot Program described earlier (page 13), which will be re-evaluated in the coming plan year.
- The CDBG program continues to encourage communities to use housing funds as part of an overall neighborhood or community renewal effort.
- The MDOC utilized technical assistance providers with an emphasis on community needs assessment and project development. Staff members of each MDOC program continued to market the programs and educate potential participants in the programs. The CDBG program provided capacity building training and other technical assistance to local governments. This training relates to general community planning, capital improvement planning, providing affordable housing, fair housing education, and environmental compliance.

- The MDOC promoted training opportunities in housing construction as part of an overall economic development strategy that specifically targets training to at-risk populations, such as residents of Indian Reservations, participants in the Job Corps, and inmates in the prison system.

➤ *Other Actions*

- The MDPHHS in concert with the Governor's office and other state agencies initiated a program entitled Warm Hearts, Warm Homes and support for the program continued in 2007. The program makes information available to all Montanans to help them identify all programs that could benefit them. A website is available with the Governor's objective of advertising available resources and enlisting "Neighbor to Neighbor" community involvement. The website has information on weatherization, saving energy, and other resources to find help for your family and to how help others to help stay warm. Montana's 10 HRDCs are key contacts for outreach and for making referrals to various programs. This assistance is viewed as important in helping people remain in their own homes.
- The MDOC continued the work of Housing Coordinating Team, which has helped the program staff to better understand each of the programs and how they work together, as well as areas where the programs do not work well together. The HCT, as an advisory group, has helped facilitate statewide coordination in delivery of housing services.

The HCT recently made some operating changes. The leadership changed hands; Bruce Brensdal, the Executive Director for the MBOH and Administrator for the Montana MDOC's replaced Gerald Watne from the MBOH Multifamily program who had held the position for over three years. The HCT created five workgroups to focus on issues that were repeatedly being discussed at meetings.

- The first workgroup continues the work of coordinating audits and physical inspections by each housing program in order to decrease the need to enter tenant's homes and files.
- The second workgroup is developing processes to deliver technical assistance to communities and individuals requiring help with housing and infrastructure issues.
- The third workgroup researched the need for an online housing locator service and explored the possible solutions. A contract has been signed and the housing locator service should be available in July 2008.
- The fourth workgroup coordinates efforts to promote housing initiatives at the state and federal levels. The workgroup developed a streamlined list of initiatives that are of concern. Each HCT member individually determines the level of lobbying they are able to do according to their individual's job restrictions. The Federal Initiatives are located on the website, along with a corresponding document of talking points, which can be printed and easily used.

- The fifth workgroup gathered data on housing, incomes, units, structures, rents, etc., for each of the 56 counties in the state and assembled a “white paper”. The paper describes the current picture of “affordable housing” in Montana and projects what the housing picture in Montana might be in 2020 if no action is taken. The working group hopes this document will illuminate the problems specifically facing affordable housing in Montana and give communities the reason to begin planning now. The HCT realizes and is emphasizing that each community will have its own set of problems. The working group plans to develop a toolbox that can be used by communities to solve each of their individual problems and concerns.
- The HOME program has 24 certified CHDOs providing significant nonprofit housing development capacity within the state. HOME funds totaling \$1,091,912 were awarded to three CHDOs for the plan year ended.
- HOME funds support the housing objectives in a variety of ways: HOME grantees construct new affordable units to increase the housing stock; and offer down payment and closing cost assistance to increase the ability of low-income households to purchase homes and finance housing maintenance, improvements, and energy efficiency measures.
- The HOME program requires recipients to complete homebuyer education before receiving down payment and closing cost assistance.
- HOME, CDBG, and MBOH staffs participate in application workshops and Consolidated Plan public meetings to promote the programs and conduct outreach to local governments, nonprofits, and other organizations in all areas of the state whenever possible.
- All documentation associated with the HOME program (application guidelines, administrative manuals, etc.) are available on the MDOC’s website: http://housing.mt.gov/Hous_HM.asp. The online administrative manual is updated throughout the year as needed.

Homelessness

The state’s goals related to homelessness include:

- Securing available resources for persons requiring supportive and transitional services;
- Assisting persons requiring supportive and transitional services to achieve permanent housing;
- Assisting in meeting the supportive services needs for the homeless;
- Assisting in securing stable funding sources for existing homeless facilities and services;
- Continuing to support the statewide continuum of care strategy to ensure emergency, transitional, and permanent housing; and

- Actively supporting and participating in the Montana Council on Homelessness.

The state of Montana was selected to attend two Policy Academies on Homelessness. The first, in May 2003, was a Federal Homeless Academy "Improving Access to Mainstream Services for People Experiencing Chronic Homelessness." The second, "Improving Access to Mainstream Services for Families with Children Experiencing Homelessness," was held in November 2005. The academies are the collaborative effort of the U.S. Departments of Health and Human Services, Housing and Urban Development, Veteran Affairs, and Labor and Industry, the Social Security Administration, and others. Teams of policymakers and local experts from states and provide technical assistance are brought together to identify best practices for ensuring that homeless persons have access to mainstream resources such as SSI, TANF, Medicaid, food stamps, and mental health services.

The efforts of the original Policy Academy Team became the foundation for formation of the Montana Council on Homelessness. The formation of the MTCoH was followed by nearly two years of strategic planning. From those broad-based efforts emerged the 10-year plan currently in use and the mission of the MTCoH: "To develop and implement strategies to prevent and reduce homelessness in Montana overall and to end chronic homelessness by 2014."

The draft 10-year plan and comprehensive report on homelessness in Montana was published in 2006 and is available online. It contains four chapters, each of which is followed by a plan matrix for addressing the issues identified:

- I. An overarching look at homelessness in Montana, including policy issues that play into or rise from homelessness
- II. Chronic homelessness
- III. Homeless families and unattended youth
- IV. Bibliography, glossary, and additional resources.

The MTCoH went through a strategic planning process that took place between June 2004 and April 2006. It named five workgroups to examine and provide input into addressing specific facets of the overarching issues that play into homelessness. The identified issue areas include: housing; access to and delivery of mainstream services; special needs populations (including those with substance abuse, mental illness, and other disabilities); finance and resource development; and education, employment, and training.

The workgroups included nearly 90 individuals (including council members) with content-area expertise. Workgroups were co-chaired by MTCoH members. The MTCoH and its workgroups were provided technical assistance in February 2005 through federal Homeless Policy Academy funds. Each group worked to create crosscutting strategies designed to impact homelessness in Montana. This was followed by technical

assistance in 2005 and 2006. This resulted from an innovative partnership with the statewide PATH program²⁴, using PATH technical assistance funds. This initiated new partnerships among PATH direct service providers, housing providers, and housing funders.

The MTCoH released two reports, *Homeless in Montana*²⁵, in June 2004, and *no longer Homeless in Montana, a biennial report for 2005-06*. Both have been widely disseminated to generate greater public awareness.

The MTCoH completed and adopted a living 10-year plan to end chronic homelessness and to impact homelessness overall in April 2008. Both prior and subsequent to adoption, implementation steps have been undertaken.

An MTCoH member and the MTCoH Coordinator taped several half-hour segments featuring interviews with homeless persons and service providers. The segments have been called, "The Way Home: the Faces and Stories of Our Homeless Neighbors." To date, at least three dozen interviews in Missoula, Billings, Helena, and Great Falls have been taped and aired on the local Helena Civic Television station. Portions of interviews will be collated and combined in a variety of ways for use with specific audiences including schools, the military, business leaders, and others.

The MTCoH has received capacity building assistance from the Prevention Resource Center AmeriCorps VISTA (Volunteers in Service to America) project. Two VISTAs were recruited in consecutive years to assist with community outreach and infrastructure building. Some of the outcomes have included institutionalization of stand-down style service fairs in Helena, Missoula, and Billings.

The MTCoH has also supported Montana's participation in the SSI/SOAR (SSI/SSDI Outreach, Access and Recovery) initiative. Montana was one of the first 10 states selected to participate in the initiative, and three individuals attended the weeklong train-the-trainer event. The training was designed to give case managers the skills they need to complete SSI applications for mentally ill homeless persons so that the applications are approved at the earliest possible juncture.

The MTCoH maintains a website, www.MTCoH.org, with information about homelessness, best practices, the council and links to various resources. Additional education is being provided through a growing *listserv*, to which a periodic e-newsletter (the *MTCoH News*) is distributed, in addition to more frequent e-news updates with

²⁴ Created under the McKinney Act, the Projects for Assistance in Transition from Homelessness program is a formula grant program that funds the 50 states, District of Columbia, Puerto Rico, and 4 U.S. Territories to support service delivery to individuals with serious mental illnesses and individuals with co-occurring substance use disorders who are homeless or at risk of becoming homeless.

²⁵ A complete copy of the *Homeless in Montana* report can be found at:
http://www.mtcoh.org/index.php?option=com_frontpage&Itemid=49

information about the MTCoH, the MT CoCC, potential funding, good examples of Montana programs, best practices, and promising programs.

MTCoH Coordinator is serving a three-year term on the National Coalition for the Homeless (NCH) Board of Directors. NCH is an organization advocating with and on behalf of persons experiencing homelessness. The organization is committed to creating the systemic and attitudinal changes necessary to prevent and end homelessness. At the same time, the organization works to meet the immediate needs of people who are currently experiencing homelessness or who are at risk of homelessness.

The Board of Directors is charged with setting public policy for NCH. The board includes people experiencing and formerly experiencing homelessness; community-based, faith-based, and public service providers; state and local homeless and housing coalition advocates. The board includes representatives of rural, suburban, and urban communities across the nation.

Emergency Shelter Grant

The Emergency Shelter Grant program offers a variety of services. Montana's HRDCs provide services directly or through subcontract relationships for those facing emergency situations. Seven of the ten Human Resource Development Councils provide essential services which ranges from individual support, case management, referral, advocacy to support groups and mentoring programs. Nine HRDCs provide shelter maintenance for 25 sites. Seven provide homeless prevention services such as rent, deposits, utility services, and shelter care. Each HRDC directs these services based upon the needs within their service area.

Economic Development

The CDBG-ED program met its projected one-year goals for the development of economic activity in Montana in the following ways:

- *Increase viable economic development projects that promote investment of private capital, expansion of local tax bases, and creation of permanent year-round jobs principally for low- and moderate-income Montanans.*

For program year 2007, the CDBG-ED program's grant recipients projected the creation of 132.5 jobs, of which 95 jobs would be held by LMI (71.6% benefit to LMI). The majority of the jobs proposed are being made available to LMI. Of those local governments awarded funding, there is over a 13.65:1 match of private and public funding.

- *Increase economic activity that adds value to a product through manufacturing, refining, processing or packaging, especially those activities that involve Montana's natural resources.*

All seven of the businesses awarded CDBG-ED funding were made to manufacturing companies such as Sun Mountain Lumber, a sawmill in Deer Lodge.

- *Increase economic activity that creates new wealth in Montana by selling the majority of its products outside of Montana, by effectively substituting goods previously produced outside of Montana with goods produced in Montana, or by distributing Montana-made goods.*

All seven of the businesses assisted sell their products outside of Montana. For example, Ashley Martin in Lake County processes health care supplements for mass market distribution.

- *Increase service companies such as consulting, engineering, or other companies that sell their services predominantly (greater than 50%) outside of Montana.*

All seven of the companies receiving assistance sell services outside of Montana. For example, Intercontinental Truck Body in Conrad has a contract with the U.S. Army for truck production and contracts with overseas companies that want custom truck bodies.

- *Allow local communities to identify their own needs and develop their own initiatives.*

With CDBG-ED planning grants, three local governments received financing to further economic development initiatives. For example, Twin Bridges received a planning grant to complete a preliminary engineering report to extend water and sewer service to the Children's Center property and the county fairgrounds for continued and future development.

Businesses and communities received technical assistance from MDOC staff while developing their community goals. Through the Business Resources Division, five Regional Development Officers worked within their designated territories (see map on page 124) to provide one-on-one financial counseling with local development organizations and small businesses, assisting with financial and development needs and providing resources and information on various state and federal programs.

- *Assist businesses and communities in achieving prosperity by using program resources to leverage other private and public resources.*

In program year 2007, CDBG funds were leveraged by private and public funding 13.65:1. Over the past five years, CDBG funds have been leveraged by over \$16.49 in outside funding for every CDBG dollar invested.

- *Assist micro-enterprise development through technical assistance funding.*

The CDBG-ED program, through a Memorandum of Understanding, provided \$10,000 in technical assistance funding to the Small Business Development Center for its Small Business Innovation Research/Small Business Technology Transfer (SBIR/SBTT) program to provide technical assistance activities for small business development such as counseling and business development workshops.

➤ *Assist new and expanding businesses with employee training needs.*

One award made by the CDBG-ED program included a grant for job training. Customized training is an eligible activity under the Montana CDBG-ED program and a category that requires a minimum wage for trained employees. Employees that have completed their training will receive at least \$13.64 per hour in salary and benefits. Sun Mountain Lumber, Inc. was awarded \$200,000 to train existing and new employees and to purchase new equipment.

➤ *Assist communities and small businesses in gaining access to federal funding for research and development through the state of Montana Small Business Innovation Research program.*

The CDBG-ED program, through a Memorandum of Understanding, provided \$10,000 to the Small Business Development Center for technical assistance activities for its programs for small business development.

➤ *Place a priority on projects that create higher paying jobs.*

The CDBG-ED program discourages proposals that involve assistance to businesses such as hotels, motels and retail operations, except under mitigating circumstances, because of the lower quality of jobs and the high likelihood of competition with existing local businesses. Projects may be eligible where certain mitigating circumstances exist and support by other competing local businesses can be documented; i.e., a grocery store in a small town in a sparsely populated area where there is no other competition. The CDBG-ED program awarded funding to businesses that pay competitive wages and provide benefits to their employees.

➤ *Fund more high-technology businesses and manufacturing operations, including value-added agricultural products, based on current demand.*

CDBG-ED awarded funding to seven projects that included high technology businesses and manufacturing operations, including value added agricultural product companies. For example, Revett Minerals, located in Libby, develops copper and silver mining operations.

➤ *Help create over 200 jobs per year, of which more than 51% will be held by or made available to low- and moderate-income persons.*

The CDBG-ED program expects to create at least 132.5 jobs of which at least 95 will be held by or made available to qualified LMI persons.

➤ *Leverage \$12 to \$13 of other funds for each \$1 of program funds.*

Proposals awarded funding during this program year are providing 13.65:1 match for every dollar of CDBG-ED funds. Over the last five years, private and public funding has matched CDBG-ED funds over 16.49:1.

Infrastructure and Public Facilities

Infrastructure needs across Montana vary widely. As a state agency administering non-housing community development programs, the MDOC does not prescribe to local governments the priority needs within their communities. All infrastructure needs in Montana are great. Faced with the overwhelming demand for non-housing community development, the state implements programs and delivers resources to in-need populations around Montana in an attempt to continually address the state's non-housing community development needs. No single action can meet the specific non-housing community development objectives of any given community. Nevertheless, the MDOC committed to moving forward with non-housing community development objectives and actions.

- *Provide community and development opportunities to low- and moderate-income residents and strengthen communities within the state.*

During program year 2007, the CDBG program:

- Awarded twenty-one (21) planning grants, through an annual competitive process, to identify overall community development and housing and neighborhood renewal needs necessary to get a project under way or to conduct other important community planning activities such as preparing or updating a comprehensive plan or growth policy; preparing a neighborhood redevelopment plan; preparing a preliminary engineering or architectural report, capital improvement plan, housing study, or similar planning studies needed to help a community address critical needs. Twenty-three (23) applications were received for the 2007 competition; however, only 21 were awarded due to funding constraints. CDBG encourages and works with all communities to reapply for unfunded grant applications.
- Provided technical assistance to communities to encourage them to access CDBG funding and to ease compliance with the federal regulations tied to CDBG funding. CDBG holds annual grant application workshops in various locations across the state to ensure that all communities are able to submit a competitive application and information concerning the grant funding. CDBG also holds an annual grant administration workshop for all communities awarded funding the ability to successfully navigate and report on all program requirements.
- Continued to market the resources available to build affordable infrastructure/ public facilities by participating in the W₂ASACT public facility workshops. The workshops are designed to familiarize local governments with federal and state low interest loan and grant programs that are available to assist with financing for water, sewer, and solid waste improvement projects. Workshops were held in Great Falls, Missoula, Billings, and Wolf Point during February and March 2008.
- Continued to support the other programs administered by the MDOC Community Development Division, which are critical to assisting local governments in meeting their infrastructure needs.

- In May 2006, the Treasure State Endowment Program received 57 applications from counties, cities and towns, tribal governments, and water and sewer districts for construction project grants. Grants were awarded to 56 of those applicants. Over \$209 million in matching construction grants has been awarded to 256 local governments since 1993.
- The Montana Coal Board has been an active participant with local governments in coal-impacted areas. During 2007, the Coal Board awarded 14 grants, totaling over \$1,186,800, to local governments. Grants were awarded to projects for sewer system and water system improvements, school additions and accessibility improvements, road repair equipment purchases, and the preparation of planning documents (growth policies).
- The Hard Rock Mining Impact Board actively assists local governments to mitigate the fiscal impacts on local government services and facilities due to new large-scale hard rock mining development.
- Continued to actively participate in other W₂ASACT activities, including:
 - Maintaining a uniform method of tracking project expenditures for infrastructure projects funded by multiple agencies; and
 - Continuing to conduct outreach to tribes based on specific community and project needs.
- Continued to award all CDBG public facility and planning grant funds.

II.A.2 SELF-EVALUATION

The primary long-term goal of Montana's three formula grant programs, as stated in the FFY 2005-2010 Consolidated Plan, is to develop viable communities by providing decent housing, a suitable living environment, and expanding economic opportunities principally for low- and moderate-income persons.

As described in Section II.A.1, *State's Effectiveness in Meeting One-Year (2007-2008) Program Objectives*, the state made progress in implementing affordable housing and community development programs, benefiting Montana's low- and moderate-income households. The state has continued to evaluate and refine its efforts in respect to the implementation of the formula grant programs and other housing and community development-related programs it administers.

The biggest barrier to progress in plan year 2007 was primarily financial. The CDBG program continued to face deep funding cuts, causing significant cuts in projects funded. While HOME and ESG funding levels have been relatively stable over time, rising costs without a corresponding increase in funding have affected the programs' ability to provide the same level of assistance as in the past and to meet demand for funds.

At the end of the program year (March 31, 2008), Montana's **HOME program** was ranked eighth overall of 51 statewide participating jurisdictions (PJs) ranked by HOME Performance Snapshots²⁶. At the end of the program year, Montana's HOME program was ranked fifth in the percent of funds committed (98.35% compared to the national average of 90.63%) and eighth in the percent of funds disbursed (90.81% versus the national average of 83.15%).

At the end of the program year, Montana's CDBG program was ranked 18th overall of 50 state programs in the percent of funds unspent.

In terms of the 2005-2010 Consolidated Plan, the state believes it is satisfactorily meeting its pro rata goals. Although the state does not foresee any significant program adjustments at this time, it routinely evaluates the effectiveness of its programs, seeking public comment as needed. If the evaluation of the programs indicates adjustments are needed, the state will take appropriate steps to make the adjustments.

II.A.3 ACQUISITION, REHABILITATION OR DEMOLITION OF OCCUPIED REAL PROPERTY

The **CDBG** program funded one project that involves rehabilitation of occupied real property but did not fund any projects that involve the acquisition or demolition of occupied real property. For program year 2007, none of the CDBG grant projects involved permanent relocation activities that would fall under the Uniform Relocation Act (URA).

- CDBG funds were awarded to rehabilitate the Eagle Manor II building in Lewis and Clark County. CDBG funds are directly involved in the construction activities; however, other funds that are part of the project are being used to assist those occupants with temporary relocation assistance while the rehabilitation activities take place. All occupants are receiving temporary relocation assistance as directed under the URA.

The **ESG** program has not funded projects that involve the demolition of occupied real property. None of the program year 2007 ESG grant projects involve permanent relocation activities that would fall under the URA.

The **HOME** program has funded one project that that could potentially involve the demolition of occupied real property. The project could potentially involve permanent relocation activities that would fall under the URA. Contact with the HUD-Denver relocation specialist has been initiated for consultation and follow-up.

- **Montana HomeOwnership Network (MHN)** was awarded program year 2007 HOME funds to acquire, rehabilitate and upgrade an existing mobile home park in Red Lodge to maintain it as a source of affordable housing. The five-acre park will

²⁶ <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/snapshot/2q07/mt/statepj.pdf>

contain 30 homeowner units and will be owned cooperatively by a nonprofit homeowner association. Residents will each have a 75-year lease on their lot, allowing residents to secure conventional financing to acquire new manufactured housing to replace their aging, inefficient units if necessary. Units will be placed on permanent foundations, thus converting the homeowner housing from personal to real property. Participation in the replacement/conversion component of the project will be strictly voluntary.

SECTION B - PROPOSED ACTIONS RESULTING FROM ASSESSMENT OF ANNUAL PERFORMANCE

One of the best ways to facilitate the development of housing is through education and technical assistance. Many people perceive the array of housing programs and regulations as too complex or too foreign to master. The MDOC is determined to expand its role in providing technical assistance to local jurisdictions to explore and accurately determine the degree and type of local needs and educate people on the programs available. This will help more groups qualify for housing programs and help them better understand the requirements of those programs. To this end, an **HCT** workgroup is developing processes to deliver technical assistance to communities and individuals requiring help with housing and infrastructure issues.

The **HOME program** is committed to analyzing its competitive grant allocation process to ensure that it meets the strategic needs of the MDOC to disburse scarce funds throughout the state for a variety of activities. At the same time, the allocation process needs to be equitable to all communities and as straightforward as possible so that every community has equal access to the program.

These efforts resulted in the Single Family Allocation Pilot Program described earlier (page 13). Some difficulties have been discovered and the HOME program will evaluate the effectiveness of the SFAPP during program year 2008 and make necessary adjustments. The HOME program continues to analyze other potential options for improving its allocation process and additional changes may be forthcoming.

The role of the state will expand in the areas of providing and interpreting information that assists localities in determining and quantifying their housing needs and problems and identifying alternative solutions to those problems. The MDOC intends to expand educational outreach activities so that additional information and education is provided concerning fair housing, as well as landlord and tenant rights and obligations.

Because of the continual turnover of officials and staff of local governments and nonprofit community organizations, technical assistance and training are long-term recurring needs. The **Community Development Division** will continue to provide financial support, training, and technical assistance to Montana counties and municipalities, local elected officials and staff, nonprofit organizations, private sector developers, consultants, and private citizens. Other entities needing assistance and support include local government planning boards and planning departments, community development corporations, human resource agencies, county water and sewer districts, Tribes, rural fire departments, and housing authorities.

During the 2007 Montana Legislative Session, the Legislature approved funding for the CDD to re-establish the **Community Technical Assistance Program (CTAP)** that was cut from the division in 2003. The re-established CTAP program is now staffed with a full time planner and land use attorney to provide technical assistance.

Financial and technical assistance provided involves housing and public facilities project planning, financing, and management; community needs assessment, planning, and growth management; and mitigation of impacts associated with the growth or decline of coal and hard rock mining development.

The CDD will continue to coordinate its technical assistance efforts with the regional workshops conducted by the interagency W₂ASACT and the Housing Coordinating Team in order to achieve maximum efficiency and effectiveness.

The **Business Resources Division** will continue to provide support and technical assistance to local jurisdictions and revolving loan fund managers with loan documentation, financial analysis, and project administration. The BRD's economic development programs, especially the Small Business Development subcenters, the MicroBusiness Development Corporation network, the Regional Development program, and the CDBG-ED program, continue to cooperate in coordinating and sharing resources that are beneficial to assisting local governments and businesses across the state.

According to the ESG program, "The **ESG** has functioned well since its inception. Funds are made available to local community based groups who utilize local planning processes to involve homeless providers in the most practicable strategy for individual communities. The only thing limiting ESG from being more successful is the extremely limited amount of funds we receive from HUD."

The Montana **HOPWA** programs have been active in servicing their communities and continue to participate fully providing much needed services. The Missoula AIDS Council and Yellowstone AIDS Project work well with their partners within the community and are well on the way to meeting the goals for the current year for both the HOPWA and HOPWA Plus grants. Montana State University works with the MDPHHS in providing technical assistance and gathering data to support the progress of the programs. Both MAC and YAP have begun using the Homeless Management Information System for their annual progress reports, a vital step in improving the efficiency of data collection and effectiveness in reporting.

Members of Montana's **Continuum of Care Coalition** have a commitment to working with various segments of the homeless population. One of those segments that has proven to be the most intractable is the chronically homeless; an "unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more, or who has had at least four episodes of homelessness in the past three years." Although the problem of chronic homelessness may not be as acute in Montana as in more urban areas, it remains a stubborn obstacle to eradicating homelessness. The federal government agrees. The departments of Veterans Affairs and Health and Human Services and HUD instituted a number of academies designed to bring decision-makers from local, state and federal agencies and organizations together to work on a concerted effort to address chronic homelessness.

The **Montana Council on Homelessness**, working with the MDPHHS, examines solutions to the root causes of homelessness through fundamental changes in state policy. Specifically, it explores ways to prevent child abuse, assist victims of domestic abuse, and improve accessibility to treatments for substance abuse and mental illness.

The MTCoH also tries to increase access for the homeless to such programs as Medicaid, food stamps, Temporary Assistance for Needy Families (TANF), housing and other services designed to foster self-sufficiency.

According to the MTCoH's report, trends over the past few years have shown a consistent increase in the number of homeless people in Montana. The reasons for homelessness are complex, but may include mental illness, substance abuse, co-occurring disorders, domestic abuse, lack of training and education, lack of access to living wage jobs, and other factors, or complicated combinations thereof. A third of Montana's homeless have less than a high school education. Extreme poverty, a general lack of low-income housing, and the cost of rent are also common reasons for homelessness.

The needs of the homeless cross many service system boundaries, beginning with the most basic human needs. The MTCoH will examine solutions to the root causes of homelessness through overarching changes in state policy, including treatment availability for substance abuse and mental illness, enhancing direct serve providers' ability to write acceptable SSI applications for the mentally ill homeless, enhancing discharge practices, ensuring resources for wrap-around, client-centered services coupled with housing, adding to the affordable housing pool, and other strategies.

II.B.1 TECHNICAL ASSISTANCE

Prepared by the MDOC's Census and Economic Information Center (CEIC), the purpose of the *Economic and Demographic Analysis of Montana* is to provide current data and analysis for two primary uses: first, for the MDOC in preparing Montana's Consolidated Plan; and second, for communities and other organizations that apply for federal funds from the HOME and CDBG programs for housing projects, public facilities, and economic development activities. This data may also be useful to other entities in need of statewide or county level analysis of economic, demographic, and housing trends.

Volume I of the *Economic and Demographic Analysis*²⁷ presents and analyzes economic data by county for Montana including income and poverty data from the U.S. Census Bureau, employment, earnings and income data from the U.S. Bureau of Economic Analysis (BEA), and labor force statistics from the Montana Department of Labor and Industry and the U.S. Bureau of Labor Statistics.

²⁷ *Economic and Demographic Analysis of Montana - Volume I, Economic Profile*, CEIC, January 2008, http://housing.mt.gov/Hous_CP_Econ_Demographic_Analysis.asp

Volume II of the *Economic and Demographic Analysis*²⁸ presents an analysis of Montana demographic data by county. These statistics include 1990 and 2000 Census population data as well as current population estimates. Certain social characteristics such as gender, age and race, population living in group quarters, marital status, veteran status, and school enrollment are also examined.

Detailed data on the disabled population in Montana is presented in the appendix to Volume II²⁹, including detailed statistics of disability counts by county and cities with a population of 5,000 or more from Census 2000.

Volume III of the *Economic and Demographic Analysis* is a work in progress as the transition to CEIC takes place. In the future, Volume III is expected to present Montana housing statistics by county using 1990 and 2000 Census data, including (a) the year the structure was built, (b) the number of units in the structure, (c) the number of rooms per structure, (d) the occupants per room, and (e) the number of structures lacking complete plumbing or kitchen facilities. Census 2000 homeownership rates are analyzed as well. The Census forecast of housing units and new construction data is expected to be a component.

The *Montana Housing Resource Directory*³⁰ includes descriptions of a variety of federal, state, and local housing programs available in Montana. A section on “Housing Rights, Fair Housing Advocates, Legal Assistance, and Other Resources” is provided in the directory and on the Housing Division’s Web page. The directory and associated reference guide are meant to provide an overview of the available programs along with contact information.

Go to http://housing.mt.gov/Hous_CP_HsgEconDemRptsStats.asp to access other housing, economic, and demographic reports and statistics.

The Housing Coordinating Team’s technical assistance workgroup is creating a process that communities can use in their search for housing technical assistance. Creation of a brochure that contains technical assistance information is forthcoming. A web site, <http://housing.mt.gov/TA.asp>, was recently debuted. Information for assistance in writing grants and guidance in restoring building skills to help communities solve housing are being explored and developed.

The Rural Community Assistance Corporation and Rural Collaborative have been more active in the state. They have brought specialized knowledge and broad housing

²⁸ *Economic and Demographic Analysis of Montana - Volume II, Demographic Analysis*, CEIC, January 2008, http://housing.mt.gov/Hous_CP_Econ_Demographic_Analysis.asp

²⁹ *Economic and Demographic Analysis of Montana - Volume II Appendix, Disability Data*, Center for Applied Economic Research, Montana State University-Billings, November 2005; http://housing.mt.gov/Hous_CP_Econ_Demographic_Analysis.asp

³⁰ *Montana Housing Resource Directory*, Montana Department of Commerce, November 2007; http://housing.mt.gov/Hous_CP_HsgResDir.asp

experience to the state. The HOME program looks forward to continuing to work with its TA providers in the coming year.

In cooperation with the MDOC's Census and Economic Information Center, the CDBG program initiated a project to map low- and moderate-income areas within Montana counties based upon information developed by HUD from the 2000 Census. This information is of great value to local governments as they identify areas within their jurisdictions where special financial needs exist among lower income residents for infrastructure improvements, affordable housing, economic development, and all types of related public services.

For each county, the percent LMI figures (based upon percent of low- and moderate-income persons as determined by HUD) will be mapped for all Census Designated Places (CDPs), incorporated cities and towns, and remainder areas. The detailed spreadsheet that will accompany the LMI map contains LMI percentages for each incorporated City or Town, CDP, and Remainder Areas by Census Block Group.

The MDOC continues to administer a technical assistance planning grant program funded by CDBG monies used to assist communities with housing, public facility, and economic development activities. The CDBG-ED program set aside \$210,000 for technical assistance grant activities. This set aside was available to local governments for planning activities, which resulted in four new technical assistance contracts. The Small Business Development Center received \$10,000 for technical assistance activities in support of outreach, counseling, training, and technical assistance to small businesses.

The CDBG-ED program staff provides ongoing technical assistance to 44 CDBG-funded revolving loan funds across the state. The MDOC encourages local governments to contract with a regional development organization that has been qualified as a Certified Regional Development Organization. The CRDC program has twelve designated CRDCs across Montana providing revolving loan fund management, and technical assistance to small businesses.

Regional Development Officers from the Business Resources Division will continue to provide one-on-one technical assistance to local governments and small businesses for economic development financing, and access to state and federal financing programs.

II.B.2 REFINEMENT OF INSTITUTIONAL STRUCTURES

The MDOC completed the Annual Action Plan for the plan year ending March 31, 2008 and continued its ongoing effort to make the planning process and resulting documents more user-friendly, readable, and concise. The consolidated plan documents are available on the Internet for interested parties to read and download:

http://housing.mt.gov/Hous_CP_Apps.asp

Many other supporting documents are also available at:

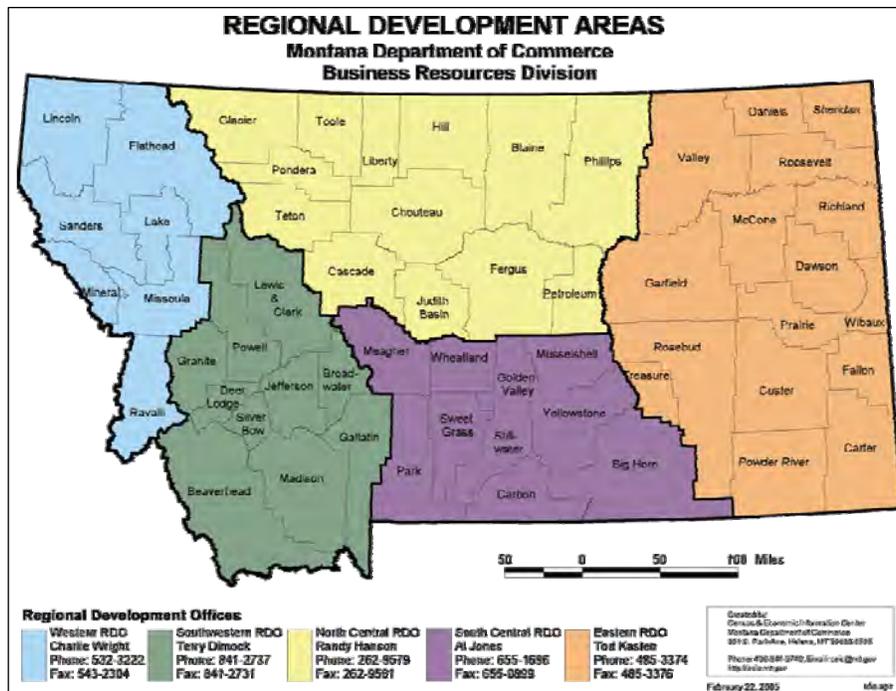
http://housing.mt.gov/Hous_CP_HsgEconDemRptsStats.asp

The MDOC, through the Housing Coordinating Team, continues to identify areas where further communication and cooperation is needed, and identify gaps in the institutional provision of services. HOME, CDBG, and MBOH workshops include a “how to” technical assistance component and participation in statewide housing meetings and local housing meetings will continue.

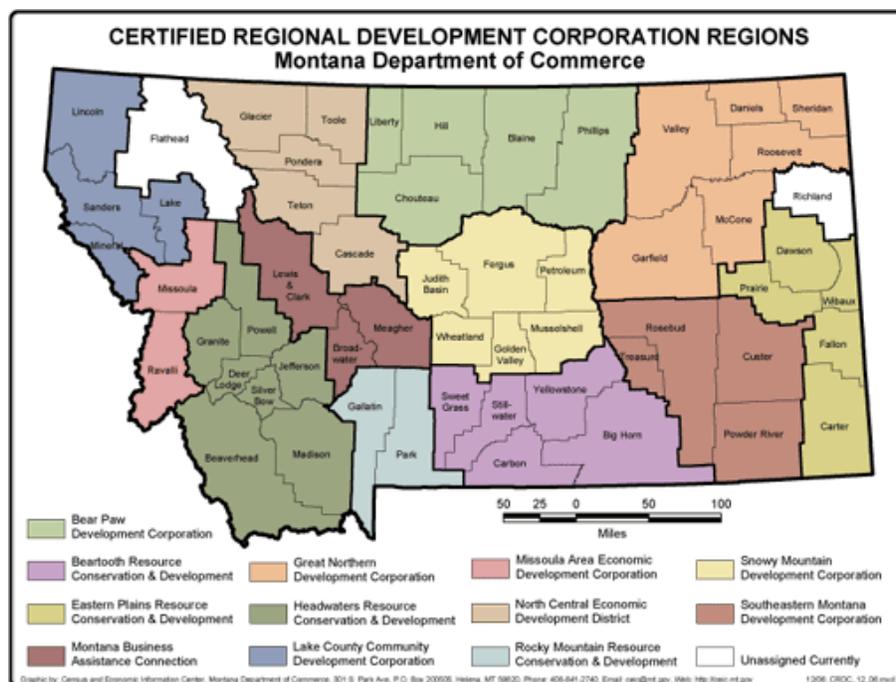
The MDOC and MDPHHS support and participate in the Montana Home Choice Coalition, resulting in better links between housing policy and disability services policy to create community living opportunities for people with disabilities. The state, through the MDPHHS, continues to support initiatives to fulfill the U.S. Supreme Court Olmstead decision to create community living opportunities for people with severe disabilities currently residing in institutions. In addition, general housing opportunities incorporating the housing and supportive service needs and choices of people with disabilities will be realized. Montana citizens with disabilities experience a significant homeownership gap in comparison to the general public. The Home Choice Coalition Home Ownership initiative is expected to contribute to home ownership opportunities for people with disabilities across the state. The Home Choice Coalition advocates for and educates on the concept of Universal Design and the related concept of visitability as a standard for publicly subsidized housing in Montana. Through education and technical assistance, the Coalition expects to expand the supply of affordable housing that can be used by the maximum number of Montana citizens across the age and ability spectrum.

The Montana Council on Homelessness will focus high-level policy on homelessness in Montana. The MTCoh will need to work in collaboration with MDOC housing officials to coordinate better access to mainstream housing and service resources to impact homelessness in Montana. The MTCoh is expected to facilitate the creation of new solutions across agencies and programs.

CDBG-ED program and the Business Resources Division will continue to expand their role in providing technical assistance in the field and through this effort, more accurately determine the degree and type of local need in community and economic development. (See map on page 124.) The MDOC recognizes that more outreach in education and building the capacity of communities to apply for and administer CDBG-funded projects and revolving loan funds is an ongoing need. In addition to CDBG-ED staff, the CRDCs, and the RDOs provide ongoing technical assistance to Montana’s small businesses, give guidance to local governments in their community development efforts, and provide the capacity to maintain regional revolving loan funds.



The Certified Regional Development program encourages local governments to contract with a development organization that has qualified as a Certified Regional Development Organization. The MDOC program has designated twelve CRDCs across Montana. (See following map.) Most CRDCs manage regional revolving loan funds. It is the intent of this program to have CRDCs provide experienced guidance to local governments in their community development efforts and to provide the capacity to maintain regional revolving loan funds.



II.B.3 ISSUES STIMULATING POLICY REFINEMENT

Housing

While Montana witnessed an increase in delinquencies and foreclosures over the past year, overall Montana had less than half the national average rates of subprime lending, delinquencies and foreclosures. Nevertheless, the increase in delinquencies and foreclosures has generated a huge increase in demand for foreclosure counseling, a demand that was met by the Montana Homeownership Network (MHN) with partial support from the MBOH. Recognizing the ongoing need, MBOH and MHN applied for and received additional funds for foreclosure counseling through the special National Foreclosure Mitigation Counseling program passed by Congress in December of 2007.

Anecdotally, a few of the emergency shelter directors in Montana are reporting that persons who have lost their homes through the foreclosure crisis are beginning to access their services. The numbers are not high at this point; Montana ranked 36th in the nation in terms of the numbers of filings. In 2007, there were 1,378 foreclosure filings in Montana, affecting 1,150 properties. While this is not a huge number, it still reflects a 52.6 percent jump in the number of filings from 2005.

Meanwhile, land and home purchase price costs continue to hold firm, pushing homeownership beyond the reach of lower and moderate-income families in many parts of the state. As land values escalate, affordable housing is pushed out through redevelopment. This is particularly true for mobile home courts. One area for policy development for the future is strategies to preserve mobile home parks to provide permanently affordable housing in high cost areas.

A related area for policy development is the decommissioning of older mobile homes. A significant percentage of the mobile homes in Montana are older than 1976 and need to be replaced. Some of these homes are owner-occupied, while others are rental units. The 2007 Montana Legislature partially funded a MDOC proposal to provide safe, decent, energy efficient, and affordable replacement housing and decommission pre-HUD code owner occupied housing. The MDOC is exploring how the limited funding (\$354,866 for the 2008/2009 biennium) can be used most efficiently to address issues related to pre-HUD code manufactured homes in Montana.

In addition, Montana is experimenting with its first resident-owned community (ROC) mobile home court. New Hampshire has used this model very successfully in assisting the residents of mobile home courts to purchase the court and operate it themselves as a cooperative. Montana lacks clear legislation for the formation of this type of cooperative, so development of such legislation is another direction for policy development. The MBOH approved a pilot project in Red Lodge to purchase and convert a mobile home park to a resident-owned cooperative to provide a model for other communities in the state.

Housing for essential workers is a concern throughout western and central Montana and in some parts of eastern Montana. The Ravalli County Teachers program and Manhattan Essential Employees program offered interesting models that cannot be replicated in the current mortgage market. Policy and program development requires obtaining an alternative mechanism to guarantee the principle on these shared appreciation second mortgages or devising an alternative way to bring these properties into the range these households can afford. Several communities have formed land trusts to address affordability by removing the cost of land from the purchase price of housing. Further policy development would focus on new legislation at the state level to create authorizing language for land trusts and deed restrictions.

An on-going area for continued policy development is meeting the needs for housing on Indian reservations. There are many state and federal programs available to address these needs that are not being used by Indian Housing Authorities (IHA) due to a lack of capacity. Policy development needs to focus on what can be done to build capacity among these IHAs.

Worker housing is also emerging as an area in need of policy development. Economic development depends upon the availability of affordable housing for workers. Montana's economic development community is becoming aware that the lack of affordable housing is a significant barrier to economic development in many areas across the state.

Homelessness

The MTCoH approached and began working with the city of Billings, which has the largest documented homeless population in the state, to begin addressing homelessness at the local level. Three planning sessions were held; resulting in the creation of a Mayor's Commission on Homelessness. The MTCoH provides technical assistance and expertise to implement strategies that focus on ending chronic homelessness in Billings. These strategies will be instructive for identifying and addressing some of the policy issues that play into homelessness.

The MTCoH sponsored an Executive Planning Process (EPP) request for inclusion in the Governor's budget to provide the means to offer intensive case management and housing to approximately 45 chronically homeless persons annually. This was ultimately cut from the Governor's budget. Additionally, the MTCoH worked with the MDOC and multiple housing partners from throughout the state to restructure the Affordable Housing Trust Fund so that it has sustainable funding, and provides for a full continuum of housing needs, including addressing the housing needs of those living on 0 to 30 percent of the area median. This group includes virtually all of the homeless population.

The MTCoH has been examining creative means to utilize TANF funds to prevent homelessness by providing one-time-only resources geared to keeping people in their homes rather than ending up homeless because of a particularly large power bill, a car

breakdown, or a lost job. One of the strategies used was to provide \$300,000 in TANF bonus funds to the Billings Mayor's Committee on Homelessness for use in their efforts to address homelessness. The Committee intends to use these funds to leverage additional funds that can be used to create housing specifically targeted to meeting the needs of homeless individuals.

In 2008, the MTCoH distributed a call for expressions of interest from potential community partners, to begin the process of seeking a second demonstration community. TANF bonus funds are not available at this time to use as an incentive for communities. However, when a SAMHSA Request for Applications was released in April seeking agencies to implement Treatment for Homeless projects, the project was consistent with the EPP request made in the last biennium. One community came forward with a proposal from numerous agencies, with Rocky Mountain Development Council, Inc. named as the fiduciary. If funded, the project will provide housing and wraparound services (including mental health and/or chemical dependency treatment, primary care, housing and case management) for at least 30 homeless persons with serious mental illnesses, chemical dependencies, or co-occurring disorders annually. More limited packages of services would be provided to an additional 300–500 persons. A primary focus of this application was persons who are consistent users of high end services, including jail, treatment, emergency rooms, ambulances and short term hospital stays. Using a model initiated by Billings, in 2008, Helena included an addendum to the annual Survey of the Homeless in an effort to gain insight into the number of high-end services used by persons who are homeless in Helena. Among 104 unduplicated responses, 85 answered the question about use of high-end services: Thirty-one (36.5%) had spent at least one night in jail, with an average stay of 52 bed nights. Thirty persons had used emergency room services, on average four times during the year. Thirteen had used an ambulance.

Infrastructure and Public Facilities

Community Planning and Growth Management: Montana's local government planning law encourages communities to develop growth policies (also known as comprehensive plans or master plans) to guide development in their jurisdictions and coordinate policies relating to land use, housing, economic development, and public facilities. Growth policies can be implemented through the adoption of zoning ordinances or capital improvements programs and construction. Montana's CDBG program for housing and public facilities supports the preparation of local growth policies through planning grants that are awarded annually on a competitive basis. Grants were awarded up to \$15,000, which were matched by local funds unless the applicant was able to demonstrate financial hardship.

Twenty-three (23) eligible applications were submitted on April 20, 2007 for the FFY 2007 planning grants; 21 received CDBG grants to conduct planning activities and related studies. The applications recommended for funding were:

FFY 2007 CDBG PLANNING GRANT AWARDS		
Local Government	Project Description	Funding Amount
Baker	Community needs assessment, housing plan, project structuring, and grant writing	\$ 9,250
Carbon County	Preliminary Engineering Report (PER) for existing water and sewer lines and completion of a CDBG housing grant application to purchase and reconfigure the Mountain Springs Villa Mobile Home Court/Red Lodge	\$ 15,000
Chouteau County	Preliminary Architectural Report (PAR) for a day treatment center for the developmentally disabled	\$ 15,000
Conrad	Growth policy	\$ 15,000
Deer Lodge	Growth policy and update capital improvements plan	\$ 15,000
Dillon	Housing plan	\$ 15,000
Ennis	Funding implementation strategy project	\$ 10,000
Froid	Growth policy, in conjunction with Roosevelt County	\$ 8,000
Hamilton	Growth policy	\$ 15,000
Hardin	Needs assessment/income survey, growth policy, and housing plan	\$ 9,172
Harlem	Growth policy	\$ 10,000
Havre	Growth policy	\$ 15,000
Hill County	PAR and market/feasibility study for assisted living	\$ 15,000
Lake County	Update subdivision regulations, density map, and zoning district regulations in two districts	\$ 15,000
Lodge Grass	PER for extension of water and sewer lines	\$ 15,000
Madison County	PAR for two nursing homes: the Madison Valley Manor/Ennis and the Tobacco Root Mountain Care Center/Sheridan	\$ 10,000
Pondera County	Growth policy	\$ 15,000
Ravalli County	Geographic information systems land suitability analysis project	\$ 14,980
Virginia City	Historic site community development plan for Virginia City and Nevada City	\$ 15,000
Whitefish	Development of a land trust for affordable housing	\$ 15,000
Whitehall	Growth policy	\$ 15,000
Total Awarded		\$ 281,402

Economic Development

According to local officials, the cost of preparing planning studies often presents a serious obstacle for communities with limited resources. The CDBG-ED program is able to play a unique role in assisting Montana communities because of its ability to offer planning grants to local governments. These grants were available for a variety of planning activities, including the initial planning necessary to develop a CDBG-ED project, or to prepare an economic development strategy, or similar planning efforts needed to help a community address critical needs.

For program year 2007, MDOC set aside \$210,000 of CDBG funds from the economic development category for technical assistance grants. Applications were accepted on a first-come, first-serve basis. Local governments could propose that CDBG-ED technical assistance funds be used for preparing plans, studies, analyses, or research related to economic development such as:

- Preparing community needs assessments, action plans, or implementation strategies with a focus on economic development;

- Conducting income surveys necessary to complete a CDBG-ED application;
- Preparing downtown revitalization studies, redevelopment plans, urban renewal plans, and historic preservation studies. CDBG-ED planning grants can be used as match for architectural design assistance from the School of Architecture at Montana State University;
- Preparing feasibility studies, preliminary environmental assessments for the purpose of grant applications or Preliminary Architectural Reports for reuse of underutilized, empty or abandoned buildings and industrial or manufacturing facilities (contact the MDOC for a PAR outline);
- Preparing funding applications for economic development projects (should not be the only planning activity proposed in the application);
- Preparing Preliminary Engineering Reports, or for related activities normally associated with preliminary engineering such as surveys, studies and data collection in support of an economic development project only.

CDBG-ED planning grants were available in amounts up to \$15,000. Local governments had to provide a match on a 50-50 basis that would be firmly committed by the time CDBG-ED funds were released. Firm loan commitments, such as funds borrowed from another state or federal program or from a local bank, were acceptable forms of match. Grants or other cash contributions from other local, state, or federal agencies or programs or private foundations were also acceptable forms of match.

Funding of \$10,000 was used for technical assistance activities under the Small Business Development Center, and the Small Business Innovation and Research. In addition, the CDBG-ED program funded four new technical assistance activities.

FFY 2007 CDBG-ECONOMIC DEVELOPMENT PLANNING GRANT AWARDS		
Locality	Project Description	Funding Amount
Small Business Development Center (SBDC)	SBDC lead centers will use funds for business consulting support: 1) professional development activities for the business advisors at the 10 SBDC offices across the state; 2) new Internet-based tools that enhance the capability of the SBDC to offer more training and counseling online, an objective of the SBA for 2007 and 2008.	\$ 10,000
Custer County	Develop a PER to evaluate a truck access under I-94 and determine associated costs for related I-94 improvements. This study is to assist with transportation issues related to a proposed ethanol facility and co-located cattle feeding operation.	\$ 15,000
Town of Twin Bridges	Prepare a PER for extension of the town's water and sewer service to the Children's Center and the Madison County Fairgrounds	\$ 15,000
City of Shelby	Plan designs for façade rehabs, concepts for streetscapes, entry improvements, and downtown plaza; feasibility study for three large vacant buildings in the business district, parking, and marketing brochures for business development.	\$ 15,000
Opportunity Link	Contract with Heartland Center for Leadership Development to provide two training courses in tribal economic development & small town business development to economic development professionals, tribal representatives, & local government contacts.	\$ 4,700
Total		\$ 59,700

SECTION C – PERFORMANCE MEASUREMENT

In September 2003, HUD issued *CPD Notice 03-09* regarding performance measurement. In the notice, HUD strongly encouraged each CPD formula grantee, which includes Montana's HOME, CDBG, and ESG programs, to develop and use a performance measurement system. In addition, it described the need for HUD to begin to show the results of the federal dollars spent on the activities funded by the CDBG, HOME, and ESG programs. On June 10, 2005, HUD published the *Notice of Draft Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs* in the Federal Register. The final rule was published in the March 7, 2006 Federal Register. As described in the Federal Register, the proposed outcome performance measurement system should enable HUD to collect information on the outcomes of activities funded with CPD formula grant assistance and to aggregate that information at the national, state, and local level.

Montana's HUD-funded formula grant programs fund a variety of activities. For the purposes of the performance management system, each activity is assigned to one of three **objective categories** that best illustrates the purpose and intent of the activity. The three objectives are:

- **Suitable Living Environment**: In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.
- **Decent Housing**: The activities that typically would be found under this objective are designed to cover the wide range of housing possible under HOME, CDBG, or ESG. This objective focuses on housing programs where the purpose of the program is to meet individual family or community needs and not programs where housing is an element of a larger effort, since such programs would be more appropriately reported under Suitable Living Environment.
- **Creating Economic Opportunities**: This objective applies to the types of activities related to economic development, commercial revitalization, or job creation.

Similarly, once the objective for the activity is determined, one of three **outcome categories** is selected that best reflects what will be achieved by funding the activity. The three outcome categories are:

- **Availability/Accessibility**: This outcome category applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low-and moderate-income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living available and accessible to low-and moderate-income people where they live.
- **Affordability**: This outcome category applies to activities that provide affordability in a variety of ways in the lives of low- and moderate-income people. It can include the

creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.

- **Sustainability - Promoting Livable or Viable Communities:** This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low- and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

Each outcome category can be connected to each of the overarching objectives, resulting in nine groups of **outcome/objective statements** under which to report the activity or project data to document the results of the activities or projects. Each activity will provide one of the following statements, although sometimes an adjective such as new, improved, or corrective may be appropriate to refine the outcome statement.

	Outcome 1: Availability or Accessibility	Outcome 2: Affordability	Outcome 3: Sustainability
Objective 1: Suitable Living Environment	Enhance Suitable Living Environment through Improved Accessibility (SL-1)	Enhance Suitable Living Environment through Improved or New Affordability (SL-2)	Enhance Suitable Living Environment through Improved or New Sustainability (SL-3)
Objective 2: Decent Housing	Create Decent Housing with Improved or New Availability (DH-1)	Create Decent Housing with Improved or New Affordability (DH-2)	Create Decent Housing With Improved or New Sustainability (DH-3)
Objective 3: Economic Opportunities	Provide Economic Opportunity through Improved or New Accessibility (EO-1)	Provide Economic Opportunity through Improved or New Affordability (EO-2)	Provide Economic Opportunity through Improved or New Sustainability (EO-3)

Each activity, project, and program funded by the three formula grant programs covered by the Consolidated Plan will meet the requirements of the framework. In its FFY 2007 Annual Action Plan, the three formula grant programs adopted the following specific annual objectives:

**Table 3A - Summary of Specific Annual Objectives
Plan Years 2006 & 2007**

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Expected Nmbr ^{31, 32}	Actual Nmbr ^{33, 34, 35}	Percent Completed
DH-1 Availability/Accessibility of Decent Housing						
DH-1.1	Enhance the availability / accessibility of decent housing through assistance for acquisition/new construction of rental and homeownership units for LMI households	CDBG	2006 ³¹	n.a.		
			<ul style="list-style-type: none"> Number of units acquired and newly constructed 			
			2007	0	0	
			<ul style="list-style-type: none"> Number of units acquired and newly constructed 			
DH-2 Affordability of Decent Housing						
DH-2.1	Address the need for affordable decent housing by offering rehabilitation assistance to low and very low-income homeowner households	HOME Local Match: 5% <i>minimum required</i>	2006	n.a.	41	
			<ul style="list-style-type: none"> Number of units rehabilitated 			
			<ul style="list-style-type: none"> # of units meeting Section 504 standards # of units qualified as Energy Star 			
			2007	40	18	
			<ul style="list-style-type: none"> Number of units rehabilitated 			
			<ul style="list-style-type: none"> # of units meeting Section 504 standards # of units qualified as Energy Star 			

³¹ Since HOME and CDBG grant funds are primarily distributed through competitive and/or first-come, first-serve processes, the state cannot accurately predict the number of and distribution of grant assistance among specific objectives. The specific number of households, businesses, etc., expected to be assisted each program year is based on the historic number assisted in previous years, adjusted for anticipated declines in funding and rising costs, which may or may not be an accurate reflection of future fund distributions.

³² Use of the performance measurement system was not required at the time the FFY 2006 Action Plan was submitted to HUD; consequently, there is no "Expected Number" for any of the Objectives and indicators for FFY 2006.

³³ Sources: IDIS Report CO4PR83, **CDBG** Performance Measures Report for Program Years 2006, 2007; and IDIS Report CO4PR81, **ESG** Performance Measures Report for Program Years 2006, 2007

³⁴ Reporting of the data in IDIS necessary to complete this form did not become mandatory until October 1, 2006, six months into the plan year; therefore the "Actual Number" reported does not represent a full year of data.

³⁵ Source: IDIS Report CO4PR23, Program Year 2006, 2007 Summary of Accomplishments. Note: No report similar to the CO4PR83-CDBG Performance Measures Report, or CO4PR81-ESG Performance Measures Report is available in IDIS for the HOME Program; therefore, detail for the Performance Indicators could not be summarized for the purposes of this report although the detail data were entered into IDIS.

PART II-SECTION C: PERFORMANCE MEASUREMENT

Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Expected Nmbr ^{31, 32}	Actual Nmbr ^{33, 34, 35}	Percent Completed
	Specific Annual Objectives					
DH-2.2	Address the need for affordable decent housing by offering down payment and closing cost assistance to low and very low-income households	HOME	2006	n.a.	111	
			▪ Number of households receiving homebuyer assistance			
			▪ # of first-time homebuyers			
		Local Match: 5% min. required	▪ # receiving homebuyer education / counseling			
			▪ # coming from subsidized housing			
			2007	110	90	
▪ Number of households receiving homebuyer assistance						
▪ # of first-time homebuyers						
▪ # receiving homebuyer education / counseling						
▪ # coming from subsidized housing						
DH-2.3	Address the need for affordable decent housing by offering tenant-based rental assistance (TBRA) to low- and very low-income households	HOME	2006	n.a.	51	
			▪ Number of households provided with rental assistance			
			▪ # designated for the homeless			
		Local Match: 5% min. required	▪ # for the chronically homeless			
			2007	55	51	
			▪ Number of households provided with rental assistance			
▪ # designated for the homeless						
▪ # for the chronically homeless						
DH-2.4	Address the need for affordable decent housing by offering assistance for the acquisition, rehabilitation and new construction of rental housing to serve low- and very low-income households	HOME	2006	n.a.	122	
			▪ Number of rental units assisted			
			▪ # of units meeting Section 504 standards			
			▪ # of units qualified as Energy Star			
			▪ # designated for persons with HIV/AIDS			
		Local Match: 5% min. required	▪ # for the chronically homeless			
			▪ # designated for the homeless			
			▪ # for the chronically homeless			
			2007	135	78	
			▪ Number of rental units assisted			
▪ # of units meeting Section 504 standards						
▪ # of units qualified as Energy Star						
▪ # designated for persons with HIV/AIDS						
▪ # for the chronically homeless						
▪ # designated for the homeless						
▪ # for the chronically homeless						

PART II-SECTION C: PERFORMANCE MEASUREMENT

Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Expected Nmbr ^{31, 32}	Actual Nmbr ^{33, 34, 35}	Percent Completed			
	Specific Annual Objectives								
DH-2.5	Address the need for affordable decent housing through down payment and closing cost assistance to low- and moderate -income households	CDBG	2006	n.a.	0				
			▪ Number of households receiving homebuyer assistance						
			2007						
			▪ Number of households receiving homebuyer assistance						
			Of total:						
▪ # of first-time homebuyers		12							
	Of those:			12					
	▪ # receiving housing counseling			12					
	▪ # receiving down payment/closing costs assistance			12					
DH-2.6	Address the need of families facing the possibility of homelessness by providing one-time payments for utilities, rent, or deposits through homeless prevention programs and services	ESG	2006	n.a.	0				
			▪ Number of individuals receiving one-time payments for utilities, rent, or deposits for families facing eviction / shut-off or foreclosure or to provide security deposits to enable families to move into a dwelling of their own						
			2007	5,060	0				
			▪ Number of individuals receiving one-time payments for utilities, rent, or deposits for families facing eviction / shut-off or foreclosure or to provide security deposits to enable families to move into a dwelling of their own						
DH-3	Sustainability of Decent Housing								
DH-3.1	Improve the sustainability of decent housing through the rehabilitation of homeowner and rental units to benefit LMI households.	CDBG	2006	n.a.	59				
			▪ Number of LMI households assisted						
			Of total:						
			▪ # occupied by the elderly					59	
			▪ # brought from substandard to standard					59	
			▪ # brought into lead safety compliance					59	
			▪ # made accessible					59	
			2007				48	87	
			▪ Number of LMI households assisted						
Of total:		87							
Of those:		15							
▪ # occupied by the elderly		39							
▪ # brought from substandard to standard		3							
▪ # brought into lead safety compliance									

PART II-SECTION C: PERFORMANCE MEASUREMENT

Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Expected Nbr ^{31, 32}	Actual Nbr ^{33, 34, 35}	Percent Completed
	Specific Annual Objectives					
SL-1 Availability/Accessibility of Suitable Living Environment						
SL-1.1	Enhance the availability / accessibility of suitable living environments through the new construction of public facilities to benefit a geographic area with an LMI percentage of 51% or higher	CDBG	2006	n.a.	0	
			<ul style="list-style-type: none"> Number of <u>persons with new or improved access</u> to the public facility or receiving a service provided by the public facility that is <u>no longer substandard</u> 			
			2007	2,813	690	
			<ul style="list-style-type: none"> Number of <u>Households with new or improved access</u> to the public facility or receiving a service provided by the public facility that is <u>no longer substandard</u> 	n.a.		
SL-1.2	Enhance suitable living environment through availability and accessibility of essential services for the homeless	ESG	2006	n.a.	0	
			<ul style="list-style-type: none"> Number of individuals assisted with essential services such as shelter, food and individual support services 			
			2007	693	0	
			<ul style="list-style-type: none"> Number of individuals assisted with essential services such as shelter, food and individual support services 			
SL-1.3	Enhance availability / accessibility of decent housing with new construction & rehabilitation of non-rental shelters ³⁶ to LMI households	CDBG	2006	n.a.	0	
			<ul style="list-style-type: none"> Number of units constructed and rehabilitated 			
			2007	0	0	
			<ul style="list-style-type: none"> Number of units constructed and rehabilitated 			

³⁶ Youth group homes, domestic violence facilities, mental health facilities, homeless shelters, etc.

PART II-SECTION C: PERFORMANCE MEASUREMENT

Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Expected Nnbr ^{31, 32}	Actual Nnbr ^{33, 34, 35}	Percent Completed
	Specific Annual Objectives					
SL-2	Affordability of Suitable Living Environment					
SL-2.1	Improve the <u>affordability</u> of suitable living environment through <u>rehabilitation</u> of existing or <u>new construction</u> of public facilities ³⁷ by targeting direct benefits to serve a specific LMI clientele.	CDBG	2006	n.a.	45	
			<ul style="list-style-type: none"> ▪ Number of <u>persons with improved or new access</u> to the public facility or receiving a service provided by the public facility that is <u>no longer substandard</u> ▪ # with access to a facility that is no longer substandard 			
			2007	447	627	
			<ul style="list-style-type: none"> ▪ Number of <u>persons with improved or new access</u> to the public facility or receiving a service provided by the public facility that is <u>no longer substandard</u> ▪ # with access to a facility that is no longer substandard 	627		
SL-3	Sustainability of Suitable Living Environment					
SL-3.1	Improve the <u>sustainability</u> of suitable living environments through <u>rehabilitation</u> of existing public facilities ³⁸ to benefit a geographic area with an LMI percentage of 51% or higher.	CDBG	2006	n.a.	2,563	
			<ul style="list-style-type: none"> ▪ Number of persons or households with improved access to the public facility or receiving a service provided by the public facility that is <u>no longer substandard</u> ▪ # of persons with access that is no longer substandard 			
			2007	563	4,869	
			<ul style="list-style-type: none"> ▪ Number of persons with improved access to the public facility or receiving a service provided by the public facility that is <u>no longer substandard</u> ▪ # of persons with improved access ▪ # of persons with access that is no longer substandard 	579	4,290	
			<ul style="list-style-type: none"> ▪ Number of households with improved access to the public facility or receiving a service provided by the public facility that is <u>no longer substandard</u> ▪ # of households with access that is no longer substandard 	248		
				248		

³⁷ Water and wastewater projects, nursing homes, Head Start centers, senior centers, county hospitals, etc.

³⁸ Water and wastewater projects

PART II-SECTION C: PERFORMANCE MEASUREMENT

Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Expected Nmbr ^{31, 32}	Actual Nmbr ^{33, 34, 35}	Percent Completed			
	Specific Annual Objectives								
SL-3.2	Address the need for a suitable living environment by supporting existing facilities providing services as emergency shelters and domestic violence facilities as shelter maintenance programs	ESG	2006	n.a.	0				
			<ul style="list-style-type: none"> ▪ Number of emergency shelters/domestic violence facilities assisted that provide shelter, food and individual support services through Shelter Maintenance funding ▪ Number of individuals assisted 						
			2007	23	0				
			<ul style="list-style-type: none"> ▪ Number of emergency shelters/domestic violence facilities assisted that provide shelter, food and individual support services through Shelter Maintenance funding ▪ Number of individuals assisted 						
EO-1 Availability/Accessibility of Economic Opportunity									
EO-1.1	Provide economic opportunity through improved or new availability/accessibility	CDBG	2006	n.a.	2				
			<ul style="list-style-type: none"> ▪ Number of loans/grants ▪ Number of new businesses assisted ▪ Number of existing businesses assisted ▪ Number of jobs created ▪ Number of jobs retained 						
			2007				54		
			<ul style="list-style-type: none"> ▪ Number of loans/grants ▪ Number of new businesses assisted ▪ Number of existing businesses assisted ▪ Number of jobs created ▪ Number of jobs retained 						

PART II-SECTION C: PERFORMANCE MEASUREMENT

Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Expected Nmbr ^{31, 32}	Actual Nmbr ^{33, 34, 35}	Percent Completed			
	Specific Annual Objectives								
EO-2	Affordability of Economic Opportunity								
EO-2.1	Provide economic opportunity through improved or new affordability	CDBG	2006	n.a.	3				
			▪ Number of loans/grants						
			▪ Number of new businesses assisted						
			▪ Number of existing businesses assisted						
			▪ Number of jobs created						
			▪ Number of jobs retained						
			835						
			0						
			2007				4	4	
			▪ Number of loans/grants						
▪ Number of new businesses assisted									
▪ Number of existing businesses assisted									
▪ Number of jobs created									
▪ Number of jobs retained									
469									
0									
EO-3	Sustainability of Economic Opportunity								
EO-3.1	Provide economic opportunity through improved or new sustainability	CDBG	2006	n.a.	2				
			▪ Number of loans/grants						
			▪ Number of new businesses assisted						
			▪ Number of existing businesses assisted						
			▪ Number of jobs created						
			▪ Number of jobs retained						
			85						
			72						
			2007				4	6	
			▪ Number of loans/grants						
▪ Number of new businesses assisted									
▪ Number of existing businesses assisted									
▪ Number of jobs created									
▪ Number of jobs retained									
51									
86									
CR-1	Community Revitalization								
	Not applicable								
O-1	Other								
	Not applicable								

APPENDIX A - PUBLIC REVIEW PROCESS

(This is a copy of the Citizen Participation Plan used for the plan year ended March 31, 2007)

MONTANA'S HOUSING AND COMMUNITY DEVELOPMENT CITIZEN PARTICIPATION PLAN (April 1, 2007 - March 31, 2008)

INTRODUCTION

The U.S. Department of Housing and Urban Development (HUD) consolidated several formula grant programs in 1994. The programs include the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for People With AIDS (HOPWA) Programs. The first three programs are currently utilized in Montana and are covered by the Consolidated Plan.

While not directly covered by the Consolidated Plan, the state is the recipient of a competitive HOPWA Grant, covering Montana and North and South Dakota, which is administered by the Intergovernmental Human Services Bureau of the Montana Department of Public Health and Human Services (MDPHHS). The funds are part of competitively awarded grants for housing, services and technical assistance, primarily for programs in rural areas that do not qualify for federal block grant funding.

The Consolidated Plan brings together the planning, application, reporting, and citizen participation components for the three formula programs. The purpose of this narrative is to present the Citizen Participation Plan prepared by the Montana Department of Commerce (MDOC) Housing Division, a fundamental piece of the consolidated planning process.

The objectives of the plan are to ensure that the citizens of Montana, particularly low- and moderate-income persons, low-income households living in slum and blight areas, units of local government, statewide and regional institutions and other organizations, including businesses, developers, and community and faith-based organizations; public and private agencies that provide assisted housing, health services, and social services; public housing agencies; and other interested parties are provided the opportunity to and are encouraged to participate in planning for and preparing the Five-Year Consolidated Plan, Annual Action Plans, including amendments to the plan, and the Annual Performance Reports. In doing so, this narrative lays out the general guidelines around which the Consolidated Plan will be developed, sets dates and milestones along which the process will proceed, and outlines methods for citizens to guide and assist the state in formulating the plan.

THE CONSOLIDATED PLAN

The Consolidated Plan combines the planning, application, public involvement, and reporting requirements of the formula grant programs into one complete process. It promotes unifying opportunities for units of local government, the state, and others, thus laying the foundation for development of cohesive, attractive, safe, and economically

vibrant communities. The consolidated planning process encourages all citizens, especially low-income residents, to take part in shaping their own future.

The Consolidated Plan will provide the following information to citizens, public agencies, and other interested parties:

- The amount of federal funding and other assistance the state expects to receive during the upcoming plan year;
- The range of activities that may be undertaken; and
- The general program activities that will be planned in addressing the priority needs outlined in the plan.

The plan presents details on analysis and evaluation of priority needs for housing, economic development, infrastructure, public facilities, and other community development statewide. In addition, it offers guidance on providing affordable housing, economic development, infrastructure, public facilities, and other community development. The plan also contains HUD-mandated certifications that statutory guidelines have been followed.

THE PLANNING PROCESS

The Consolidated Plan is developed through public input solicited at meetings throughout the state. Some meetings occur before development of the draft report, thereby collecting distinct issue input and aiding policy formation. Others will be held after releasing the draft report, allowing interested parties an opportunity to review how the strategy has been designed and presented. These meetings will be scheduled at times and locations that will encourage broad citizen participation. To encourage participation by as many groups and individuals as possible, meetings may be held in the evening, during the lunch hour, or in the morning before the start of the normal workday. The scheduling caters to citizens and organizations whose primary job may not be directly related to creating such a plan. Evening and lunch-time public participation meetings are intended to solicit the input of low- and moderate-income residents who may be unable to attend daytime meetings due to



work conflicts. If a METNet or other videoconference meeting is scheduled, it will be held during normal business hours. The videoconference meetings are open to the public and offer additional opportunities for participation in the development of the Consolidated Plan to units of local government and other organizational representatives. Meetings may also be held in conjunction with other scheduled meetings, workshops, or conferences being held by the Housing Division and other organizations.

All citizens are encouraged to participate, including minorities and non-English speaking persons, as well as persons with disabilities. Upon request, the state will make all necessary accommodations to further the participation of these individuals. All public meetings are held in facilities that are accessible to persons with disabilities.

HUD's formula programs, alone and with other HUD-funded programs, have three basic goals pertinent to the Consolidated Plan: provide decent housing; provide a suitable living environment; and expand economic opportunities. Providing decent housing may involve increasing the availability of permanent affordable housing for low-income households (without discrimination), assisting homeless people in obtaining appropriate housing, maintaining the affordable housing stock, and increasing supportive housing to assist persons with special needs. Providing a suitable living environment means improving the safety and livability of neighborhoods; deconcentrating housing opportunities and revitalizing neighborhoods; restoring and preserving natural and physical features with historic, architectural, and aesthetic value; and conserving energy resources. To expand economic opportunities, the comprehensive approach emphasizes the creation of accessible jobs, access to credit for community development, and assistance to low-income persons to achieve self-sufficiency in federally-assisted and public housing.

Within our society, the complexity of development problems has risen significantly. Assessing and solving the difficulties has outgrown what narrow, functional programs offer. Montana's priority need problems demand links between human, economic, physical, environmental, and design concerns to build communities of opportunity. In order to gain this comprehension of development complexities, the consolidated planning process must collect the knowledge that exists in the community from citizens, local governments, private business, community-based organizations, and universities.

PUBLIC INPUT TO THE PLAN

Several opportunities for citizen input will be provided during the development of the draft Annual Action Plan for April 2007 through March 2008. Notices will be sent to local governments, public agencies, member organizations, and citizens throughout Montana encouraging participation in the consolidated planning process. A minimum of two public input meetings will be held for the express purpose of receiving comments on housing and community development needs before the release of the Consolidated Plan. Notification of the meetings will consist of, but is not limited to:

- Posting dates, times and locations on the *Discovering Montana* Calendar of Events at: <http://app.mt.gov/cal/event>;
- Posting dates, times and locations of the public meetings on the MDOC Housing Consolidated Plan website at: http://housing.mt.gov/Hous_CP_CurrentEvents.asp;
- Publishing display ads in newspapers in and around location towns;
- Sending personal invitation letters to public officials and other interested parties in and around location towns using the Consolidated Plan mailing list.

Housing Division staff may provide opportunities for citizen participation at annual meetings for the Montana Association of Counties and the League of Cities and Towns, time and budgets permitting. Staff will also attend other conferences and meetings held throughout the state that provide a forum for additional public input on the Consolidated Plan.

The need for updated or additional information will be assessed to determine if further analysis is needed. If warranted, the new or updated information will be incorporated into current resource documents for use by applicants to the CDBG, HOME, and ESG programs.

The draft Annual Performance Report, for the program year covering April 1 through March 31, will be released to the public for review and comment for a minimum of 15 days. This report evaluates program activities performed during the program year.

PUBLIC COMMENT ON THE DRAFT PLAN

After the draft of the Annual Action Plan for the year ending March 31, 2008 is released in the fall, it will be available for public review and comment for a minimum of 30 days. The public will be notified through public notices printed in newspapers of general circulation. The newspaper notices will summarize the contents and purpose of the plan and contain a list of places where the full document is available. The phone number, including the TDD number, and address of the MDOC Housing Division will be included to assist those persons otherwise unable to locate complete copies of the draft Annual Action Plan. An executive summary, including information on how to obtain the full document, will be sent to individuals, organizations, and agencies on the Consolidated Plan mailing list. The Internet will be used as a ready access to the Consolidated Plan documents:

http://housing.mt.gov/Hous_CP.asp



A minimum of two public review meetings on the draft Annual Action Plan for the year ending March 31, 2008 will be held. To encourage broader participation, these meetings may use alternative meeting formats, such as METNet or web-based meetings. Technical assistance will be available to groups representing persons of very low- and low- income who request such assistance in developing proposals for funding assistance under programs covered by the Consolidated Plan. The level and type of assistance that is appropriate will be determined by MDOC based on ability to provide or arrange for such assistance, the cost of providing assistance, and other relevant factors.

RELEASE OF THE CONSOLIDATED PLAN

Citizens, public agencies, and other interested parties will be notified of the availability of the Annual Action Plan as adopted, amendments to the plan, and the Annual Performance Report. Citizens will be given the opportunity to examine the contents of these reports for a minimum of 30 days for the Annual Action Plan and 15 days for the Annual Performance Report.

When practicable, written complaints regarding the Consolidated Plan, plan amendments, and Annual Performance Report will be responded to within 15 working days. A suitable response to those received by December 15, 2006 will be made by December 31. For those who wish to lodge a complaint about any of the documents, a letter is to be submitted

to Leslie Edgcomb, Consolidated Plan Coordinator, MT Department of Commerce Housing Division, P.O. Box 200545, Helena, Montana 59620-0545.

OTHER CITIZEN PARTICIPATION

Citizen participation responsibilities are also placed on program applicants and recipients at the local level. Applicants must provide citizens, especially low and moderate-income residents, adequate notice and opportunity for meaningful involvement in the planning and development of applications. All hearings must be held at times and locations convenient to potential beneficiaries and in facilities that are physically accessible for persons with disabilities.



CDBG Program Requirements:

Unless re-applying for the same CDBG project submitted unsuccessfully in the previous year, the applicant must hold a minimum of two public hearings; one before preparing the application and one before passage of a resolution by the governing body authorizing the submission of the application. The first public hearing should be held not more than twelve months before the date of application. The second public hearing should be held not more than three months before the date of application. A record of the required hearings must be submitted with the application for CDBG funds, along with copies of the public notices for the hearings or affidavits of publication for the notices. A verbatim record is not necessary; a list of the names of persons who attended and a summary of comments by local officials and citizens is sufficient.

Applicants reapplying for the same project submitted unsuccessfully in the previous year must hold at least one public hearing before passage of a resolution by the governing body authorizing the submission of the application. The public hearing should be held not more than three months before the date of application.

The purpose of the first hearing is to give citizens an opportunity to identify and discuss their community's overall community development and housing needs and priorities, including the needs of low- and moderate-income persons, and to propose possible projects before the local government makes a decision regarding which project it will seek CDBG assistance for. The first hearing should cover the estimated amount of state CDBG funds available and provide a description of the activities eligible for CDBG assistance.

The purpose of the second hearing is to give citizens and other potential beneficiaries (especially low-and moderate-income persons) or residents of the proposed project area adequate opportunity to consider the potential impacts and benefits of the community's proposed project and to comment on it before it is submitted.

HOME Program Requirements:

HOME Program applicants must provide citizens adequate notice and opportunity for involvement in the planning and development of HOME applications. Applicants must:

- Hold a minimum of one public hearing or meeting before submission of the application. The purpose of the public hearing or meeting is to solicit public comment on community housing needs and priorities and to discuss the HOME program as a potential source of funding. A public hearing gives citizens and potential beneficiaries of the proposed project adequate opportunity to review and comment on the community's HOME application before it is submitted. The applicant should give due consideration to all comments before the determination of a proposed project. The public hearing must be held within two months of the deadline date of application.
- Submit a record of any public hearings or meetings and copies of the public notices for the hearings or affidavits of publication for the notices, held in relation to the application for HOME funds. A verbatim record is not necessary; the names of persons who attended and a summary of comments by local officials and citizens are sufficient.

ESG Program requirements:

Prior citizen participation is not required.

AMENDING THE CONSOLIDATED PLAN

Possible amendments include changes in use of funds from one eligible activity to another, changes in the method of distribution of such funds, new activities, or alteration of the existing activities or budget. MDOC will make a determination as to whether the change is substantial enough to necessitate issuing an amendment to the plan. If so, MDOC will conduct a public review process with a minimum of one public review meeting and following the guidelines set forth above, present the amendment to the public for their review and comment. Other specific issues related to individual program guidelines are to be presented in the respective program application guidelines.

Alternative accessible formats of this document will be provided upon request. If you need this document in an alternative format, please contact the Montana Department of Commerce Housing Division at (406) 841-2820, TDD (406) 841-2702 or the Montana Relay Services number, 711.

APPENDIX B - SUMMARY OF PUBLIC COMMENTS

CITIZEN INVOLVEMENT

A statewide newspaper display ad announcing the availability of the draft Annual Performance Report and the scheduling for the 2009/2010 Annual Action Plan input meetings was published in seven major newspapers around the state (Billings, Bozeman, Butte, Helena, Great Falls, Kalispell, and Missoula):

Montana Department of Commerce

**PUBLIC INPUT MEETINGS ON HOUSING
AND COMMUNITY DEVELOPMENT NEEDS**



What are your community's housing, public facilities, economic development, and other community development needs? This is your chance to provide input on your community's needs and Montana's draft Consolidated Plan (CP) Annual Action Plan for 2008–2009.

The Consolidated Plan involves a planning and application process that allows the state to access approximately \$11 million each year from the U.S. Dept. of Housing & Urban Development. The funds are invested in Montana communities for decent, safe, and affordable housing; public facilities and other infrastructure; and economic opportunities for low- and moderate-income families through the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), and Emergency Shelter Grants (ESG) programs.

All interested citizens, local government officials, statewide and regional institutions and other organizations (including businesses, developers, community and faith-based organizations) and public and private agencies that provide assisted housing, health services, and social services are encouraged to provide input on preparing the draft annual action plan. Persons interested in providing input to the draft plan may do so by attending one of the local public input meetings:

- **Whitefish** --- Thurs., May 8, 12:00–1:30 pm - Grouse Mountain Lodge - 2 Fairway Dr.
- **Great Falls** -- Thurs., June 12, 7:30–8:10 am - Holiday Inn Great Falls - 400 10th Ave. S.

Written comments on the plan are also welcome through 7/3/2008. Send them to: Leslie Edgcomb, CP Coordinator, at the address listed below.

The Department of Commerce will also be seeking comments on the Consolidated Plan DRAFT Annual Performance Report for April 1, 2007 through March 31, 2008. This document will be open for public comment May 29 through June 13, 2008. Send your written comments on the draft report to: Leslie Edgcomb, CP Coordinator, at the address listed below. The draft report will be available on the Consolidated Plan webpage at housing.mt.gov/Hous_CP_Apps.asp no later than May 29. To request a hard copy of the DRAFT Annual Performance Report, please contact the Department of Commerce at the numbers listed below after May 29.

To learn more about Montana's Consolidated Plan and view plan documents, visit our web site at:
http://housing.mt.gov/Hous_CP.asp

The Montana Department of Commerce will make reasonable modifications for persons with disabilities who wish to participate in these public meetings. If you require an assistive device or person or another accommodation, contact the Department by 4:00 pm at least five business days before the scheduled meeting about the nature of the accommodation you need:

MT Dept of Commerce Housing Division; PO Box 200545; Helena, MT 59620-0545
Telephone: (406) 841-2820; TDD: (406) 841-2702; FAX: (406) 841-2810;
Montana Relay Service: 711

The information was also posted on the Consolidated Plan web site:



CITIZEN AND AGENCY COMMENTS

No comments were received concerning the draft Annual Performance Report for April 1, 2007 through March 31, 2008 during the comment period, which ended on June 13, 2008.

**PART III – MONTANA STATE SUMMARY OF CONSOLIDATED
PLAN PROJECTS FOR REPORT YEAR 2007**

IDIS – CO4PR06
(Available upon request)

APRIL 1, 2007 TO MARCH 31, 2008

Report to HUD

PART IV – HOME ANNUAL PERFORMANCE REPORT

form HUD-40107
HOME Match Report – form HUD-40107-A
FHEO 504 Review
FHEO HOME Review
Section 3 Summary Report – HUD Form 60002 (HOME)
(Available upon request)

IDIS-CO4PR22
IDIS-CO4PR25
IDIS-CO4PR27
IDIS-CO4PR33
(Available upon request)

APRIL 1, 2007 TO MARCH 31, 2008

REPORT TO HUD

PART V - CDBG ANNUAL PERFORMANCE REPORTS

FFY 2000 – 2007 P.E.R.

(Available upon request)

Section 3 Summary Report – HUD Form 60002 (CDBG)

(Available upon request)

and

IDIS – CO4PR26

Program Year 2007

(Available upon request)

APRIL 1, 2007 TO MARCH 31, 2008

REPORT TO HUD

PART VI - ESG ANNUAL PERFORMANCE REPORT

APRIL 1, 2007 TO MARCH 31, 2008

FINAL REPORT TO HUD

EMERGENCY SHELTER GRANT (ESG)

ESG grants distributed to HRDCs throughout Montana supported shelters across the state, as well as direct services from HRDCs to ESG recipients. Actual funding received and used matched the funds anticipated. Five percent of the funds were used to administer the program. The table below presents the distribution of funds for each HRDC.

FFY 2007 HUD EMERGENCY SHELTER GRANTS PROGRAM DISTRIBUTION BY HRDC

Eligible Activities	AEM	DIST IV	Opp., Inc.	DIST VI	DIST VII	RMDC	DIST IX	NMHR	DIST XI	DIST XII
Essential Services	\$11,253	\$4,000	\$15,467		\$19,096	\$5,007	\$9,999	\$16,864	\$9,642	
Shelter Maintenance	\$19,688	\$9,335	\$20,625		\$25,461	\$20,472	\$13,332	\$22,492	\$32,142	\$29,372
Homeless Prevention	\$7,128	0	\$15,467	\$10,528	\$19,096		\$9,999	\$16,864	\$15,000	
	\$38,069	\$13,335	\$51,559	\$10,528	\$63,653	\$25,479	\$33,330	\$56,220	\$56,784	\$29,372

Source: ESG program

The Emergency Shelter Grant Financial Status Report information for the period 05/01/2007 – 04/30/2008 is available through the IDIS tracking system.