

State of Montana 2008 ANNUAL ACTION PLAN EXECUTIVE SUMMARY



Governor Brian Schweitzer

Investing in Montana's Communities

DEPARTMENT OF COMMERCE

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Community Development Block Grant Program

Home Investment Partnerships Program

DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

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For the Plan Year
April 1, 2008
through
March 31, 2009

As Approved by HUD
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2008 ANNUAL ACTION PLAN

EXECUTIVE SUMMARY

INTRODUCTION

This Executive Summary is being provided pursuant to the March 13, 2006 revisions to the Consolidated Plan regulations (24 CFR part 91). Those regulations require that an Executive Summary be prepared and must include:

- A summary of the citizen participation and consultation process;
- Objectives and outcomes and an evaluation of past performance; and
- Summary of comments on the plan and responses to comments.

The Montana Department of Commerce (MDOC) is the lead agency overseeing the development of the Consolidated Plan. This Annual Action Plan is for the 12-month period beginning April 1, 2008 and ending March 31, 2009 (federal fiscal year 2008) and is designed to meet the requirements set forth by the U.S. Department of Housing and Urban Development (HUD). Each year, Montana submits an action plan illustrating how the HUD Community Planning and Development (CPD) resources it receives will be utilized to improve communities throughout the state. Information on Montana's Consolidated Plan can be accessed at http://housing.mt.gov/Hous_CP.asp.

The Annual Action Plan, developed with the input of citizens and community groups, serves as the state's application for funds available through the three HUD formula grant programs that are administered by the state of Montana:

- The Community Development Block Grant (CDBG) Program, administered by the Community Development and Business Resources Divisions of the MDOC;
- The HOME Investment Partnerships (HOME) Program, including the American Dream Downpayment Initiative (ADDI), administered by the Housing Division of the MDOC; and
- The Emergency Shelter Grant (ESG) Program, administered by the Human and Community Services Division of the Montana Department of Public Health and Human Services (MDPHHS).

FFY 2008 Funds	Formula Grant Program	FFY 2007 Funds	% Change 2007-2008
\$ 6,744,834	Community Development Block Grant Program	\$ 6,935,714	-2.75%
\$ 4,232,873	Home Investment Partnerships Program	\$ 4,376,646	-3.29%
\$ 33,234	American Dream Downpayment Initiative	\$ 82,255	-59.60%
\$ 400,287	Emergency Shelter Grant Program	\$ 398,241	0.51%
\$ 11,411,228	Totals	\$ 11,792,856	-3.24%

This Action Plan includes information about the overall goals and objectives for the coming year with a description of the available resources and proposed actions to address identified needs. In addition, it includes information about the specific activities and allocation of resources available for the three federal block grant programs covered by Montana's Consolidated Plan.

The state's overall goals include:

- Increasing the supply of decent, safe, sanitary, affordable housing, especially for low- and very low-income families, individuals, and special needs populations such as the elderly, disabled and homeless;
- Expanding economic opportunities in order to improve the living conditions for low- and moderate-income groups;
- Expanding and improving community facilities and services, principally for low- and moderate-income persons, which are essential for sound community development and for development of viable communities; and
- Preventing homelessness through direct services and by providing resources to shelters to maintain facilities.

The primary objective of the **CDBG Program** is to develop viable communities by providing decent housing; providing a suitable living environment; and expanding economic opportunities that principally benefit low- and moderate-income (LMI) persons (persons at or below 80 percent of the area median income). The CDBG Program will assist communities to expand affordable housing and economic opportunities, provide infrastructure, and improve community facilities. With the participation of its citizens, communities can devote funds to a wide range of activities that best serve their own particular community development needs and priorities.

The purpose of the **HOME Program** is to expand the supply of affordable housing for low- and very low-income households (persons at or below 80 percent of the area median income). The HOME Program distributes funds to communities and nonprofit community housing development organizations (CHDOs) around the state for acquisition, rental rehabilitation, new construction of multi- and single-family housing, tenant based rental assistance, homeowner rehabilitation, and homebuyer assistance.

ESG funds are distributed to Montana's 10 Human Resource Development Councils (HRDC). The HRDCs use the funds at the local level to meet the needs of the homeless or those at risk of becoming homeless.

SUMMARY OF CONSOLIDATED PLAN REVISIONS FOR 2008

The revisions that are included in the Consolidated Plan 2008 Annual Action Plan are summarized below.

Community Development Block Grant Program

- CDBG planning grant recipients are required to provide a dollar-for-dollar match that must be firmly committed by the time CDBG funds are released. The match can come in several forms. Previously, in-kind match was allowed; however, because this type of match is very difficult for staff, volunteers and local governments to track and document, beginning in 2008 CDBG will no longer accept this type of match. Local governments that clearly document difficulty with the match requirement may request a waiver to reduce or entirely waive the match requirement due to extreme financial hardship.
- Recognizing increasing costs for labor and materials, beginning in 2008, CDBG has increased the maximum grant ceiling per LMI household or individual benefiting from a CDBG housing and neighborhood renewal project to \$30,000, up from \$25,000.
- Beginning in 2008, public facility applications for non-water and wastewater projects that provide less than a community-wide benefit and serve a specific group of people such as Head Start and Senior Citizen Centers will be evaluated based strictly on “gap analysis”, i.e., the documentation of the existence of a funding gap and the need for CDBG grant funds.

Home Investment Partnerships Program

For plan year 2008, the HOME Program changed the relative weight of two of its application selection criteria, adding 100 points to Program Management and reducing the points for Capacity Determination by 100. All projects under consideration for a HOME grant award are evaluated using the following criteria:

	<u>Revised Point System</u>	<u>Former Point System</u>
Financial Management.....	200 points	200 points
Program Management	200 points	100 points
Project Planning	100 points	100 points
Capacity Determination	<u>100 points</u>	<u>200 points</u>
Total points possible.....	<u>600 points</u>	600 points

Emergency Shelter Grant Program

No significant changes were proposed for plan year 2008.

OBJECTIVES AND OUTCOMES

HUD has established a performance outcome measurement system for its programs. The MDOC and MDPHHS have adopted the framework of HUD’s outcome measurement system as the foundation for establishing performance measures and outcomes for each of the three HUD formula grant programs covered by this plan.

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 Annual Action Plan will meet the requirements of the framework.

It should be noted that the federal HUD funding has been declining for several years, while during the same timeframe, costs have continued to escalate due to a variety of factors. In such an environment, it becomes increasingly difficult to attempt to measure performance in light of long-term production goals, because the factors and assumptions the goals are based upon simply are not stable or constant over time. However, the performance measures and indicators still have value in that they illustrate the nature and extent of the impacts of the state's HUD-assisted programs on Montana's communities and residents.

**Table 3A - Summary of Specific Annual Objectives
Plan Year 2008**

Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Program Year	Expected Number ¹	Actual Number	Percent Completed
	Specific Annual Objectives						
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>	<ul style="list-style-type: none"> ▪ Number of units rehabilitated ▪ # of units meeting Section 504 standards ▪ # of units qualified as Energy Star 	2005			
				2006			
				2007	40		
				2008			
				2009			
GOAL					40		
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 Local match: 5% <i>min. required</i>	<ul style="list-style-type: none"> ▪ Number of households receiving homebuyer assistance ▪ # of first-time homebuyers ▪ # receiving homebuyer education/counseling ▪ # coming from subsidized housing 	2005			
				2006			
				2007	110		
				2008			
				2009			
GOAL					110		
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 Local Match: 5% <i>min. required</i>	<ul style="list-style-type: none"> ▪ Number of households provided with rental assistance ▪ # designated for the homeless ▪ # for the chronically homeless 	2005			
				2006			
				2007	55		
				2008			
				2009	55		
GOAL							
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 Local Match: 5% <i>min. required</i>	<ul style="list-style-type: none"> ▪ 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 	2005			
				2006			
				2007	135		
				2008			
				2009			
GOAL					135		

¹ 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, which may or may not be an accurate reflection of future fund distributions.

Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Program Year	Expected Number ¹	Actual Number	Percent Completed
	Specific Annual Objectives						
DH-2.5	Address the need for affordable decent housing by offering down payment and closing cost assistance to low- and moderate -income households	CDBG	▪ Number of households receiving homebuyer assistance	2005			
				2006			
				2007	0		
				2008			
				2009			
GOAL					0		
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	▪ 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.	2005			
				2006			
				2007	5,060		
				2008			
				2009			
GOAL					5,060		
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	▪ Number of LMI households assisted	2005			
				2006			
				2007	48		
				2008			
				2009			
GOAL					48		
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	▪ Number of persons with new access to the public facility or receiving a service provided by the public facility that is no longer substandard	2005			
				2006			
				2007	2,813		
				2008			
				2009			
GOAL					2,813		
SL-1.2	Enhance suitable living environment through availability and accessibility of essential services for the homeless	ESG	▪ Number of individuals assisted with essential services such as shelter, food and individual support services	2005			
				2006			
				2007	693		
				2008			
				2009			
GOAL					693		

Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Program Year	Expected Number ¹	Actual Number	Percent Completed
	Specific Annual Objectives						
SL-2	Affordability of Suitable Living Environment						
SL-2.1	Improve the sustainability of the suitable living environment through rehabilitation of existing public facilities ² by targeting direct benefits to serve a specific LMI clientele.	CDBG	<ul style="list-style-type: none"> ▪ Number of persons with improved or new access to the public facility or receiving a service provided by the public facility that is no longer substandard 	2005			
				2006			
				2007	447		
				2008			
				2009			
GOAL					447		
SL-3	Sustainability of Suitable Living Environment						
SL-3.1	Improve the sustainability of suitable living environments through rehabilitation of existing public facilities ³ to benefit a geographic area with an LMI percentage of 51% or higher.	CDBG	<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 no longer substandard 	2005			
				2006			
				2007	563		
				2008			
				2009			
GOAL					563		
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	<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 	2005			
				2006			
				2007	23		
				2008			
				2009			
GOAL					23		
EO-2	Affordability of Economic Opportunity						
EO-2.1	Provide economic opportunity through improved or new affordability	CDBG	<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 	2005			
				2006			
				2007	4		
				2008			
				2009			
GOAL					4		

² Water and wastewater projects, nursing homes, Head Start centers, senior centers, county hospitals, etc.

³ Water and wastewater projects

Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Program Year	Expected Number ¹	Actual Number	Percent Completed
	Specific Annual Objectives						
EO-3	Sustainability of Economic Opportunity						
EO-3.1	Provide economic opportunity through improved or new sustainability	CDBG	<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 	2005			
				2006			
				2007	4		
				2008			
				2009			
				GOAL			

EVALUATION OF PAST PERFORMANCE

Plan year 2007 was the first year the state implemented HUD's framework for the outcome measurement system. The state linked appropriate goals and objectives, identified the applicable outcome statement, collected data on performance indicators for each funded activity, and will report performance in the annual performance report for plan year 2007, which ends March 31, 2008.

In June 2006, the MDOC **HOME** Program began requesting that its current grantees use revised set-up and completion reports that include new data fields for the outcome measurement system. As of October 1, 2006, all HOME grantees were required to use the revised set-up and completion reports with the additional data fields.

Beginning October 1, 2006, the MDOC **CDBG** Program began the transition to a new, revised setup and completion report for grantees to provide information for the outcome performance measurement system.

The MDPHHS **Emergency Shelter Grant** Program began collecting the expanded data fields in April 2006 through reporting requirements to match the IDIS system data elements. Additionally, the MDPHHS has been implementing the Homeless Management Information System (HMIS) in Montana. HMIS will be used by ESG grantees to collect information regarding individuals participating in the program. This will improve data collection and enable the ESG Program to report the actual results.

To the extent possible given the limited timeframe in which data was collected, the state reported performance in the annual performance report for plan year 2006, which ended March 31, 2007. The plan year 2006 annual performance report is available on the web at: http://housing.mt.gov/Hous_CP_Apps.asp. Plan year 2007, the first full year for which data has been collected, will end on March 31, 2008. The corresponding performance report is due to HUD no later than June 30, 2008.

CITIZEN PARTICIPATION SUMMARY

Montana's Citizen Participation Plan, found in Appendix A to the Annual Action Plan, lays out the general guidelines around which the Consolidated Plan was developed and outlines methods for citizens to guide and assist the state in formulating the plan. The objective of the Citizen Participation Plan is to ensure that Montana citizens are given the opportunity to and are encouraged to participate in planning for and preparing the Five-Year Consolidated Plan, the Annual Action Plans, including amendments to the plan, and the Annual Performance Reports. All interested parties are urged to participate, but a special emphasis is placed on participation by the following groups:

- 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; and
- public housing agencies.

The Consolidated Plan is developed through public input solicited at meetings throughout the state. Two meetings occurred before development of the draft report, thereby collecting distinct issue input and aiding policy formation. Notification of all the meetings was made in advance of the meetings through display advertisements in major newspapers around the state, mailed notices and personal invitation letters, e-mail notices, and postings on the state's e-calendar and Consolidated Plan website. The state also provided a public comment period from May through July 5 to solicit input on developing the Annual Action Plan.

The meetings were scheduled to encourage participation by as many groups and individuals as possible. The meetings were generally held during the lunch hour to encourage low- and moderate-income residents, citizens, and organizations whose primary job may not be directly related to creating such a plan and who may otherwise be unable to attend meetings due to work conflicts. Food was provided for attendees to further encourage attendance and participation. One meeting, which garnered high attendance, was held mid-afternoon and included an ice cream social.

An additional comment period, from mid-November to December 31, was provided after release of the draft Annual Action Plan. Comments received through three public review meetings and written comments, were addressed, as appropriate, and considered for incorporation into the 2008 Action Plan.