

State of Montana 2008 Consolidated Annual Performance and Evaluation Report



Governor Brian Schweitzer

Investing in Montana's Communities

DEPARTMENT OF COMMERCE

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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, 2009, the state received \$6,744,834 in federal CDBG funds.

In addition, on March 19, 2009, the state was allocated \$19.6 million in Neighborhood Stabilization Program (NSP) funds to provide emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. NSP provides grants to every state and certain local communities to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes. The program is authorized under Title III of the Housing and Economic Recovery Act of 2008.

Funds will be used on Indian Reservations and in towns, cities, and counties that are located within the designated Areas of Greatest Need, which includes 24 of Montana's 56 counties and all seven of its reservations:

➤ **Counties:**

- Anaconda-Deer Lodge, Big Horn, Broadwater, Butte-Silver Bow, Cascade, Custer, Flathead, Golden Valley, Gallatin, Glacier, Lake, Lewis & Clark, Lincoln,

¹ *Montana Housing Resource Directory*, Montana Department of Commerce, October 2008; available online at http://housing.mt.gov/Hous_CP_HsgResDir.asp

Meagher, Mineral, Missoula, Petroleum, Pondera, Powell, Ravalli, Roosevelt, Rosebud, Sanders, Yellowstone

➤ Indian Reservations (see map on page 56):

- Blackfeet, Crow, Fort Belknap, Fort Peck, Flathead, Northern Cheyenne, Rocky Boy

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 a revolving loan fund that was initially 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 revolving loan fund are received and deposited by the MDOC for further relending activities; local governments may not retain loan payments from this revolving loan fund. 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- 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, 2009 totaled \$4,232,873. In addition, \$33,234 of HOME's American Dream Downpayment Initiative (ADDI) funds was available. HOME grantees, allowed to keep and expend program income on HOME-eligible activities, expended \$216,281 in program income and recaptured funds 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 \$2,665,000 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 37 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 24 months with approximately 6,081 applicants. The Housing Choice Vouchers is the main program in TBS8, with a HUD baseline of 3,761 units and an annual budget of approximately \$13.2 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 2009 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.

HUD-Veterans Affairs Supportive Housing Voucher Program

The 2008 Consolidated Appropriations Act (the Act) (Public Law 110-161) enacted December 26, 2007, provided \$75 million dollars of funding for the HUD-Veterans Affairs Supportive Housing (HUD-VASH) voucher program as authorized under Section 8(o)(19) of the United States Housing Act of 1937. The HUD-VASH program combines HUD HCV rental assistance for homeless veterans with case management and clinical services provided by the Veterans Affairs at its medical centers and in the community.

Montana was provided 35 vouchers to assist homeless veterans and their families. MDOC through partnership with Veterans Affairs, Homeless Veteran Program, located at Fort Harrison, currently has 27 veterans housed or in the process of being housed in

Missoula, Helena and surrounding areas. The ultimate goal would be to house homeless veterans statewide.

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 \$400,287 for the plan year ended 2009.

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 56). 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 56). 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 2009. 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 2009 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 includes heating system tune-ups, air infiltration reduction, and attic, wall and floor insulation. During the year ending in 2009, 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.
- 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.

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), and 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 2008, \$174,805 was contracted to six tribes for heating assistance. A total of \$1,000,000 was spent for heating assistance; the \$174,805 with the tribes and \$ 825,195 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, 2008, INTERCAP made \$66.92 million in loans to communities. Loans from program inception in 1987 to fiscal year ending June 30, 2008 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 beginning 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. The ICED program is currently funded by the legislature.

Primary Sector Workforce Training Grant (WTG)

The 59th Montana Legislature transferred the administration of the Primary Sector Workforce Training Grant 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 (BSTF)

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 generally 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 for new set-aside programs may be 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*: This program in western Gallatin County with Manhattan State Bank links 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 Gallatin Counties.

- Montana House™. The Montana House™ program is a collaboration between the MBOH, the Blackfeet Community College, the Blackfeet Housing Authority, Blackfeet Manpower, and the Miles City Community College. The MBOH provides the building materials for the homes. At the community college sites, students build the homes as part of their vocational training curriculum. The homes are available for purchase by individuals or families who meet the Homeownership MRB Program criteria.

The Montana House™ is a three-bedroom, two-bath new home that is available in four different floor plans: 960 sq ft, 1008 sq ft, 1200 sq ft, or 1400 sq ft. Each home features 2x6 exterior walls with R-19 insulation, quality vinyl windows, oak kitchen and bath cabinets and energy efficient gas forced air furnace. The home comes 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. NeighborWorks Montana (NWMT) provides technical assistance 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, General Obligation and Conduit 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.

- Conduit (Private Placement) Bond Program: The conduit bond program provides another vehicle for financing acquisition and or rehabilitation of affordable multi-family housing. The MBOH makes tax exempt bonds available for purchase by a financial institution, which in turn, makes loans to the MBOH for approved projects in Montana. Applications parameters are same as those for Low Income Housing Tax Credits and are eligible for tax credits at approximately 4% or the prevailing monthly federal rate. These tax credits are not subject to a competitive selection process as with those made available through the U.S. Treasury (IRS) but must comply with Section 42 of the IRS codes and state requirements. This program provides resources for retaining or adding additional affordable housing for Montana.

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 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.

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 \$6,744,834 the state received for **FFY 2008**, \$2,147,153 was allocated to the Business Resources Division for economic development projects (see page 30). The Community Development Division was allocated \$3,092,868 for public facility projects (see page 17) and \$976,695 for housing projects (see page 27). During the plan year, the CDBG programs also set aside a combined \$466,708 (\$225,000 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 2009** funds during plan year 2008. Out of the estimated \$6.7 million the CDBG programs will receive for **FFY 2009**, the Community Development Division allocated approximately \$3 million for public facility projects and \$1 million 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 2009** CDBG **Public Facilities** category application deadline was May 23, 2008. See page 22 for projects awarded. The **FFY 2009** CDBG **Housing** application deadline was February 6, 2009 for FFY 2009 funds. (See page 28 for applications accepted.)

For **FFY 2008** the applications for CDBG funding for **technical assistance** (planning) matching grants to prepare community plans and studies related to future housing and

public facilities projects were due on April 1, 2008. Fifteen technical assistance grants totaling \$205,000 were awarded (see page 124).

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 \$1,944,251 during the program year (see page 126).

In addition, for program year 2008, \$210,000 was set aside for technical assistance activities. Activities under this category included a Memorandum of Agreement with the Small Business Development Center Bureau (SBDC) for skill development and training for SBDC business advisors, strategic planning and professional development counseling, and training fees for advanced level seminars. Of the CDBG-ED technical assistance funds, \$20,000 was set aside for this activity. In addition, \$8,333 was allocated for staff salaries to complete the consolidated planning documents.

Of the remaining technical assistance funds, seven planning grant activities were funded with awards totaling \$89,400 (see page 126). The balance of the \$210,000 is available for either planning grant activities or regular economic development projects.

HOME Program

HOME program funds available from HUD in the plan year ended March 31, 2009 totaled \$4,232,873, not including \$33,234 of ADDI funds. The funds were distributed through a noncompetitive process and through a competitive grant application process with a deadline of February 15, 2008.

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. One CHDO was allocated \$500,000 in CHDO set-aside funds, less than the required 15% (\$634,931) of the 2008 HOME allocation.

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, \$12,296, was allocated noncompetitively to the cities of Billings: \$4,653; Missoula: \$4,320; and Great Falls: \$3,323. Given the relatively small pot of funds allocated, each of the three cities chose not to accept the funds. The funds will be included in the FFY 2009 HOME grant competition.

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 \$1,987,454 in 2006, \$2,048,507 in 2007, and \$1,597,797 in 2008 to the SFAPP, distributed among eleven regions of the state according to a formula.

Dist.	Geographic Area	Funds Allocated		
		2006	2007	2008
1	Montana (funds available statewide)			
2	Daniels, Garfield, McCone, Roosevelt, Sheridan, Valley	\$ 92,842	\$ 95,694	\$ 73,438
3	Carter, Custer, Dawson, Fallon, Powder River, Prairie, Richland, Rosebud, Treasure, Wibaux	\$ 158,532	\$ 163,402	\$ 126,239
4	Blaine, Hill, Liberty, Phillips	\$ 91,808	\$ 94,628	\$ 73,055
5	Cascade, Choteau, Glacier, Pondera, Teton, Toole	\$ 167,068	\$ 172,200	\$ 130,181
6	Fergus, Golden Valley, Judith Basin, Musselshell, Petroleum, Wheatland	\$ 94,381	\$ 97,280	\$ 75,424
7	Big Horn, Carbon, Stillwater, Sweet Grass, Yellowstone	\$ 185,772	\$ 191,479	\$ 149,069
8	Broadwater, Jefferson, Lewis and Clark	\$ 197,087	\$ 203,142	\$ 159,202
9	Gallatin, Meagher, Park	\$ 235,608	\$ 242,846	\$ 194,058
10	Flathead, Lake, Lincoln, Sanders	\$ 311,254	\$ 320,815	\$ 253,632
11	Mineral, Missoula, Ravalli	\$ 163,232	\$ 168,246	\$ 131,626
12	Beaverhead, Deer Lodge, Granite, Madison, Powell, Silver Bow	\$ 289,870	\$ 298,775	\$ 231,873
TOTALS		\$ 1,987,454	\$ 2,048,507	\$ 1,597,797

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 at the end of the first 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. For program years 2007 and 2008, the reservation period for each district changed to 12 months.

Emergency Shelter Grant Program

The 10 regional HRDCs (see map on page 56) 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 2008, 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 (see map on page 56). In December 2005, TS HELP was awarded \$1.4 million to address the need for housing case management in three of the four regions. Under this 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 2, 2009, an application was submitted to HUD requesting \$1.4 million to continue operating the TS-HELP Plus program and to continue funding the housing case management.

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 2008 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 2009 Legislature reviewed 65 applications.

The 2009 Legislature awarded \$32,623,541 in grants to local governments to fund 66 construction projects (see map on page 55).

The program was appropriated \$900,000 for state fiscal years (SFY) 2010 and 2011 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 studies immediately after the appropriation was approved by the Legislature in 2009 (see list of awards on page 46).

The 2009 Legislature also appropriated \$100,000 to MDOC for state fiscal years 2010 and 2011 to provide grants for emergency projects that cannot wait for legislative approval. By April 30, 2009, \$64,728 was awarded to fund four 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 Legislature 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 received an award of \$55,000 in SFY 2006, \$50,000 in SFY 2007, and \$70,000 in SFY 2008.

A total of \$560,000 for SFY 2009 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 2009. 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 targeted 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 is 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: **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
<u>\$ 1,100,000</u>	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 forcemain, 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: **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: **\$ 2,049,318**

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 of this project would include

replacement of the town’s existing lift station and replacement of collection pipes with inadequate slopes and pipes that contribute too 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:	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:	<u>\$ 407,964</u>	

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 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: CITY OF HELENA, on behalf of Montana Youth Homes, Inc.

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 12 and 18. In May 2007, youth in the program were moved to the Margaret Stuart Shelter Home when the facility was closed due to numerous 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. 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 JORDAN

*Re-application due to partial funding from FFY 2007 (see page 12 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 12)

Other Funds: \$ 700,000 TSEP Grant
\$ 100,000 MDNRC Grant
\$ 142,953 State Revolving Loan Fund
\$ 15,000 Town of Jordan
\$ 15,000 TSEP Grant – PER Grant

Project Total: \$ 1,422,953

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 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 JUDITH GAP

*Application received partial funding from FFY 2008 (see page 12 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: CITY OF KALISPELL, in partnership with the Flathead Attention Home

Type of Project: Construction of Youth Shelter Facility

PART I-SECTION B: INVESTMENT OF AVAILABLE RESOURCES

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: **PONDERA COUNTY**, on behalf of Brady County Water & Sewer District
 *Application received partial funding from FFY 2008 (see page 12 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%

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: \$ 2,230,000

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 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%

CDBG FFY 2009 Public Facilities Grant Awards

(Application Deadline: May 23, 2008)

Applicant: TOWN OF CASCADE
Type of Project: Water System Improvements
CDBG Amount: \$ 450,000
Other Funds: \$ 625,000 TSEP Grant
 \$ 100,000 DNRC Grant
 \$ 10,000 DNRC Planning Grant
 \$ 50,000 Town Cash Reserves
\$ 168,000 State Revolving Loan Fund (SRF) Loan
Project Total: \$ 1,403,000

SUMMARY: The town's original water distribution system, constructed in 1915, consists of primarily steel and cast iron pipe 4" in diameter. The proposed project consists of replacing main line to the community's schools to provide proper fire flow; replacing undersized and deteriorated pipe sections; replacing the main line that runs down 1st St. West prior to the Montana Department of Transportation's roadway project on 1st St. West, and installing a generator at the water supply wells.

Community Information

Population Served:.....	852
Number of Households:	362
Benefit to LMI Households:.....	57%
Number of Hookups:	413
Projected Combined Water & Wastewater Monthly Rate with CDBG:	\$80.69/mo.
Variance from Target Rate:.....	153%

Applicant: CHOUTEAU COUNTY, on behalf of Big Sandy Activities, Inc.

Type of Project: Construction of a New Facility – Day Activity Program

CDBG Amount: \$ 450,000

Other Funds: \$ 713,198 USDA RD Community Facilities Loan
 \$ 50,000 USDA RD Community Facilities Grant
 \$ 41,650 Local Contribution

Project Total: \$ 1,254,848

Summary: Big Sandy Activities, Inc. (BSA) is a nonprofit agency that provides state-mandated services and support to 21 developmentally disabled residents, each of whom suffers from one or more mental, physical, or emotional disabilities. The current day activity program is located in a 3,011 sq. foot structure that was originally constructed as a shop building in the early 1980's. Architects have determined that the condition of the existing facility is poor in terms of both physical condition and functionality due to over-crowding or over-use; improper equipment; lack of adequate space for physical therapy; and lack of space for family meeting areas, charting areas, staff toilets, and other needs. The proposed project includes constructing a new facility that would address the mitigation of current code, functionality, program, and safety issues at the existing facility; site and building access improvements and improved construction and anticipated utility savings that will improve the operational longevity of the facility.

Community Information

Population Served:.....	21
Number of Households:	21
Benefit to LMI Households:.....	100%
Number of Hookups:	NA
Projected Combined Water & Wastewater Monthly Rate with CDBG:	NA
Variance from Target Rate:.....	NA

Applicant: CITY OF HAMILTON

Type of Project: Wastewater Treatment Plan Upgrade & Expansion

CDBG Amount: \$ 450,000

Other Funds: \$ 750,000 TSEP Grant
 \$ 260,000 Water Resources Development Act Grant
 \$ 1,742,000 SRF Loan
 \$ 100,000 Renewable Resource Grant
 \$ 635,000 Cash Reserves Contribution

Project Total: \$ 3,937,000

Summary: The city's wastewater treatment facility was originally upgraded to an advanced secondary treatment plant in approximately 1983 and is in need of replacement and/or upgrade. In addition, the groundwater aquifer in the Ravalli County area in the vicinity of Hamilton is a sole source aquifer for the city, and is extremely vulnerable to contamination. Proposed improvements would include: installing a new mechanical bar screen, a second dissolved air flotation thickener unit, additional vacuum biosolids dewatering, a non-potable water pumping station, and radio-based telemetry station at each wastewater

pumping station not currently monitored to provide for central alarming and station status monitoring; as well as replacement of the existing engine generator and electrical service entrance equipment at the wastewater treatment plant.

Community Information

Population Served:.....	4,520
Number of Households:	1,272
Benefit to LMI Households:.....	53%
Number of Hookups:	1,573
Projected Combined Water & Wastewater Monthly Rate with CDBG:	\$56.77/mo.
Variance from Target Rate:.....	150%

Applicant:	HILL COUNTY , on behalf of Rudyard County Water and Sewer District	
Type of Project:	Wastewater Improvements	
CDBG Amount:	\$ 255,200	
Other Funds:	\$ 319,000	TSEP Grant
	\$ 63,800	Local Funds - Rudyard W&S District (<i>Committed by Board of Directors</i>)
	<u>\$ 10,000</u>	Local Funds - Rudyard W&S District (<i>expended upon completion of PER Addendum</i>)
Project Total:	<u>\$ 648,000</u>	

Rudyard's original central sewer collection and treatment system, constructed in the 1950s, included approximately 18,000 feet of gravity collection system main with the majority of the mains being 6-inch diameter tile mains. Sewage is collected by the gravity collection system to a new lift station near the treatment site. In 2006, a construction project replaced 6,500 lineal feet of failing pipe with new 8" PVC, replaced 22 manholes with new 48" diameter concrete manholes, replaced an outdated lift station with a new 96" diameter wet well that houses two submersible pumps, replaced the forcemains between the lift station and Cells 1 and 2, and installed a bypass control manhole. Proposed improvements consist of: installing 3,900 lineal feet of 8" PVC pipe by traditional open cut construction; installing nine new manholes; reconnecting 41 existing sewer services to the new sewer main; replacing 1,300 square yards of asphalt; and installing a lift station auto dialer.

Community Information

Population Served:.....	275
Number of Households:	126
Benefit to LMI Households:.....	52.1%
Number of Hookups:	138
Projected Combined Water & Wastewater Monthly Rate with CDBG:	\$79.50/mo.
Variance from Target Rate:.....	162%

Applicant:	TOWN OF JUDITH GAP	
Type of Project:	Water and Sewer Improvements	
CDBG Amount:	\$ 207,035	
Other Funds:	\$ 242,965	CDBG Grant, awarded FFY 2008
	\$ 100,000	MDNRC Grant
	\$ 750,000	TSEP Grant
	\$ 50,000	USDA RD Grant
	\$ 60,000	USDA RD Loan
	<u>\$ 258,000</u>	MDOT
Project Total:	<u>\$ 1,688,000</u>	

Summary: The town has operated and maintained a wastewater collection and treatment system for over 60 years. Up until 2001, raw wastewater was directed into two septic tanks and partially treated effluent was surface-discharged to adjacent drainages. 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 MDOT is scheduled to reconstruct Highway 191 through the center of town. The town has determined that all utilities (water and wastewater) within the construction limits are of the highest priority and the town 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. MDT will participate in the construction cost by funding the surface removal, base course installation, and final paving and striping. Proposed improvements include: replacement of the water and sewer mains; manholes; valves; hydrants; and services within the Highway 191 construction limits in conjunction with the scheduled highway reconstruction project.

Community Information

Population Served:.....	145
Number of Households:	61
Benefit to LMI Households:.....	80.3%
Number of Hookups:	76
Projected Combined Water & Wastewater Monthly Rate with CDBG:	\$53.35/mo.
Variance from Target Rate:.....	182%

Applicant:	MADISON COUNTY , on behalf of Tobacco Root Mountains Care Center
Type of Project:	Renovation & Expansion of the County-owned Nursing Home in Sheridan
CDBG Amount:	\$ 450,000
Other Funds:	\$ 400,000 Madison County – Cash Grant
	\$ 142,000 U.S. Department of Public Health and Human Services
	<u>\$ 1,191,607</u> USDA RD Loan
Project Total:	<u>\$ 2,183,607</u>

Madison County, the owner-operator of the 37-bed Tobacco Root Mountain Care Center, a nursing home located in Sheridan, is proposing major renovations to the Center. The facility was built in 1963 and has had no major renovations or upgrades in the past 45 years. As codes and requirements for nursing homes have changed substantially over the years, the Center must undertake major renovations to bring it into compliance with state and federal regulations and overcome severe space issues. The proposed project would correct the major deficiencies that exist at the facility and add 7,000 square feet of additional space, thus providing a safer, healthier environment for patients, staff and visitors while ensuring the Center's long-term viability.

Community Information

Population Served:.....	7,274
Number of Households:	36
Benefit to LMI Households:.....	81%
Number of Hookups:	NA
Projected Combined Water & Wastewater Monthly Rate with CDBG:	NA
Variance from Target Rate:.....	NA

Applicant:	CITY OF MALTA , on behalf of Hi-Line Retirement Center (HLRC)
Type of Project:	Renovation and Expansion of the Nursing Home

PART I-SECTION B: INVESTMENT OF AVAILABLE RESOURCES

CDBG Amount:	\$ 450,000	
Other Funds:	\$ 4,340,000	USDA RD Community Facilities Loan
	\$ 50,000	USDA DR Community Facilities Grant
	\$ 57,250	Local Contribution
Project Total:	<u>\$ 4,897,250</u>	

HLRC, part of the Phillips County Medical Center, is a locally owned and operated 46-bed nursing home located in Malta. The Center also includes eight assisted living units and six independent living apartments. Constructed in 1978, the Evangelical Lutheran Samaritan Society owned and operated the facility until HLRC purchased it in October 2005. A recent PAR identified numerous deficiencies. Proposed improvements would consist of constructing a new energy efficient, multi-zone heating, ventilation, and air conditioning system that brings the facility into compliance with current codes and standards while reducing energy consumption; provide area zone temperature controls that improves individual room and zone control throughout the facility; installing an improved nurse call system; constructing a larger kitchen with updated equipment and more space for food service and storage; constructing a new 12-bed assisted living unit; and renovating and expanding the long-term care and independent living apartments.

Community Information

Population Served:.....	74
Number of Households:	62
Benefit to LMI Households:.....	73%
Number of Hookups:	NA
Projected Combined Water & Wastewater Monthly Rate with CDBG:	NA
Variance from Target Rate:.....	NA

Applicant:	TOWN OF NEIHART
Type of Project:	Water System Improvements
CDBG Amount:	\$ 264,000
Other Funds:	\$ 223,000 TSEP Grant
	\$ 100,000 RRGL Grant
	\$ 25,000 Local Cash Contribution
Project Total:	<u>\$ 612,000</u>

Summary: The Town of Neihart provides domestic water for 95 residential and three commercial customers. Neihart owns and maintains the town's water supply, treatment, storage, and distribution system. The original 1890's era water system is being systematically brought up to current health and safety standards. Serious deficiencies in the supply, treatment, and distribution systems remain that will be addressed with the proposed work. Neihart has been under either a boil order or a health advisory due to problems with water treatment since the surface water treatment plant was installed in 1996. As a result of these problems, Neihart proposes to complete significant water system improvements to meet modern construction standards. The O'Brien Creek main will be replaced and the raw water intake location will be modified to help correct the treatment plant problems.

Community Information

Population Served:.....	95
Number of Households:	44
Benefit to LMI Households:.....	60%
Number of Hookups:	98
Projected Combined Water & Wastewater Monthly Rate with CDBG:	\$40.00/mo.
Variance from Target Rate:.....	108%

CDBG FFY 2008 Housing Project Awards
(Application Deadline: December 7, 2007)

Applicant: PARK COUNTY, on behalf of Park County Senior Citizens Center

Type of Project: Rehabilitation of Senior Center

CDBG Amount: \$ 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: \$ 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 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: CITY OF WOLF POINT

Type of Project: Housing Rehabilitation, Down Payment Assistance, and Demolition

CDBG Amount:	\$ 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
	\$ 30,000	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 2009 Housing Project Applications

(Application Deadline: February 6, 2009)

Applicant:	CITY OF BAKER
Type of Project:	Housing Rehabilitation & Demolition
CDBG Amount Requested:	\$ 450,000
Other Funds:	\$ 339,183 HOME Program Grant
	\$ 18,000 USDA RD HPG Program
	<u>\$ 65,000</u>
Project Total:	<u>\$ 872,183</u>

Summary: The proposed Baker housing rehabilitation project would include demolishing 5 vacant, severely substandard structural units, and providing housing rehabilitation assistance to 24 low- or moderate-income homeowners and 4 rental units to correct code deficiencies or health and safety issues. There is a significant housing shortage in Baker and the surrounding area in eastern Montana due to years of little activity in new home construction and rehabilitation of older housing stock, reducing the number of livable housing units. A total of 16% of the housing units in three targeted areas of Baker can be considered uninhabitable. Only 15 of those units are vacant and suitable for demolition; the remaining 30 severely substandard units still serve as homes for Baker residents. Of 249 housing units surveyed, 75% (186) are substandard.

Applicant:	MISSOULA COUNTY , on behalf of Mountain Home Montana, Inc. (MHM)
Type of Project:	New Construction of a 5-unit Apartment Building

PART I-SECTION B: INVESTMENT OF AVAILABLE RESOURCES

CDBG Amount Requested:	\$ 450,000	
Other:	\$ 500,000	HOME Program Grant
	\$ 660,000	MBOH Loan
	\$ 121,102	HUD Continuum of Care Grant
	\$ 5,000	Ronald McDonald House of Charities Grant
	\$ 500,000	M.J. Murdock Trust – Grant
	\$ 200,000	In-kind Donations and Services
	\$ 10,000	Capital Campaign Committed
	\$ 255,831	Capital Campaign Goal
Project Total:	<u>\$ 2,041,933</u>	

Summary: MHM proposes to construct a 5-unit two-story apartment building consisting of two 2-bedroom units, three 1-bedroom units, a commons room, and office space for low-income single parent households, with a connection to municipal utilities and services. MHM will own and operate the rental units. Since 2000, MHM, a nonprofit organization, has provided transitional housing to homeless young mothers. Young mothers and their babies come to MHM through referrals from concerned community and family members, MDPHHS, and self-referrals. The transitional living apartments will provide independent housing opportunities to better prepare the residents for permanent housing. Since all young mothers that come to MHM lack basic skills, the MHM program provides life skills training, parenting classes, mental health and addiction counseling, and job training.

Applicant:	ROSEBUD COUNTY , on behalf of United Citizens, Inc. (UCI)	
Type of Project:	Rehabilitation to Establish an Assisted-Living Facility	
CDBG Amount Requested:	\$ 450,000	
Other Funds:	\$ 500,000	HOME Grant
	\$ 85,000	Montana Coal Board Grant
	\$ 535,000	Bank Loan
	\$ 90,500	Community Pledges
	\$ 27,500	NCB Capital Impact Fund
	\$ 50,000	Cash Contribution
Project Total:	<u>\$ 1,688,000</u>	

Summary: UCI, a nonprofit organization, is proposing to establish an assisted-living facility in Forsyth. This project proposes rehabilitating the existing, vacant Forsyth Middle School to establish an assisted-living facility with low-income units available. Forsyth has no units that offer affordable assisted-living services; there is just one other privately-owned market rate assisted-living facility in Forsyth and it is at maximum capacity. There is a significantly higher concentration of elderly citizens in Forsyth than associated areas of Rosebud County, which is projected to have an increase of 173.7% in its elderly population between the years of 2000 and 2030.

Applicant:	CITY OF WHITEFISH , on behalf of Whitefish Housing Authority (WHA) & Whitefish Area Land Trust (WALT)	
Type of Project:	Homebuyer Initiated Purchase Program	

CDBG Amount Requested:	\$ 350,000	
Other Funds:	\$ 100,000	NSP Grant
	\$ 300,873	HOME Program Grant (2007)
	\$ 70,000	FHLB of Seattle AHP Grants (2005 & 2009)
	\$ 20,000	WALT Loan
	\$ 83,000	City of Whitefish PILOH Set-Aside Funds
	\$ 30,000	USDA Housing Preservation Grant
	\$ 1,120,000	MBOH Loan
	\$ 88,000	Whitefish Rehab & Homeownership Program Income
Project Total:	<u>\$ 2,411,873</u>	

Summary: The City of Whitefish, in partnership with the WHA and WALT, proposes to aid a minimum of ten LMI households purchase a home in Whitefish. A variety of funding sources would provide a subsidy to buy down the initial cost of a home to a price affordable to low- or moderate-income households earning up to 80% of the area median income (AMI), with 10 LMI households receiving assistance in 2009-2010 and using a community land trust model to guarantee LMI affordability for 99 years for each home. Nine of the 20 LMI families on the Whitefish Homeownership Program's current waiting lists are in the 30-60% AMI range. As part of the project, it is proposed that Flathead Valley Habitat for Humanity would build one home on land owned by WALT, aiding a household earning no more than 60% of AMI.

WALT would acquire and hold the land and sell the buildings upon the land to the homebuyers. The land would be held in perpetuity by WALT and its community-based board of directors. The WALT ground lease gives exclusive use of the land to individual homeowners, eliminating the cost of land in the purchase price of the home, making the housing more affordable. In exchange for this affordability, the homeowner agrees through the ground lease, to leave the affordability in place at resale for the next LMI household, providing a fair return to the owner while assuring that the housing unit is kept affordable for the next buyer perpetually for 99 years without requiring the infusion of additional unit subsidy.

FFY 2008 CDBG Economic Development Project Awards

(Open cycle)

Locality:	FLATHEAD COUNTY	
Name of Company:	Glacier Stone Supply, LLC	
Project Location:	Kalispell	
Financing Date:	4/7/2008	
CDBG Funds:		
Grant Admin.	\$ 24,000	
Loan	\$ 276,000	
Other Funds:	\$ 500,000	Wells Fargo Bank
Total Project	<u>\$ 800,000</u>	
Job Creation:	50 New FTEs	
LMI Jobs:	26 FTEs	

Use of CDBG Funds: Flathead County, through Jobs Now, Inc./Montana West Economic Development Corp., will provide a loan to Glacier Stone for equipment purchases (network conveyors and equipment for sound and dust suppression). Glacier Stone manufactures stone veneers and has moved to a new, larger location. The company projects that it will create at least 50 new jobs from this business expansion project. At least 26 of the new positions will be made available to low- and moderate-income persons.

Locality:	CITY OF COLUMBIA FALLS	
Name of Company:	Western Building Center of Kalispell	
Project Location:	Columbia Falls	
Financing Date:	04/07/2008	
CDBG Funds:		
Grant Admin.	\$	10,000
Loan	\$	115,000
Other Funds:	\$	75,000 City of Columbia Falls
	\$	4,600,000 Three Rivers Bank
	\$	1,800,000 Western Building Center
Total Project	\$	<u>6,600,000</u>
Job Creation:	20 New FTEs	
LMI Jobs:	16 New FTEs	

Use of CDBG Funds: The City of Columbia Falls through Jobs Now, Inc./Montana West Economic Development Corp. will provide a loan to Western Building Center of Kalispell for new equipment and machinery purchases. Western Building Center is currently building a new store that will focus on manufacturing prefab roof and floor trusses and wall panels for affordable housing projects. The company expects to create at least 20 new positions during this business expansion project, of which 16 jobs will be made available to low- and moderate-income people.

Locality:	MISSOULA COUNTY	
Name of Company:	Pyramid Mountain Lumber	
Project Location:	Seeley Lake	
Financing Date:	4/7/2008	
CDBG Funds:		
Grant Admin.	\$	30,000
Loan	\$	370,000
Other Funds:	\$	30,000 SBA
	\$	105,000 MAEDC IRP
	\$	180,000 Missoula County RLF
	\$	2,200,000 Two Rivers Bank
	\$	75,000 EDA/CDBG RLF
Total Project	\$	<u>3,664,000</u>
Job Creation:	30 New FTEs	
LMI Jobs:	20 FTEs	

Use of CDBG-ED and EDA/CDBG RLF Funds: Missoula County will provide loans to Pyramid Mountain Lumber Company for working capital and inventory. Pyramid Mountain will purchase lodge pole pine raw materials to support its new focus on the remodeling market. These loans will enable Pyramid to create a second work shift and create 30 new, full time jobs during this business expansion project. All 30 of the new positions will be made available to low- and moderate-income persons. Missoula Area Economic Development Corp. will manage payments from the CDBG-ED loan through its regional revolving loan fund. The EDA/CDBG RLF funds will be repaid to the Montana Department of Commerce.

Locality: LINCOLN COUNTY

Name of Company: Luck E-G Post & Rail of Montana, Inc.

Project Location: Libby

Financing Date: 06/04/2008

CDBG Funds:

Grant Admin.	\$	10,000	
Loan	\$	125,000	

Other Funds:

	\$	250,000	USDA Forest Service Grant
	\$	297,000	Komatsu Credit Corp.
	\$	20,000	Luck E-G

Total Project **\$ 702,000**

Job Creation: 5 New FTEs

LMI Jobs: 5 FTEs

Use of CDBG Funds: Lincoln County, through Kootenai River Development Authority, will provide a grant to Kootenai Business Industrial District to purchase a horizontal or tub grinder that will be owned by the industrial district and rented to Luck E-G Post and Rail of Montana, Inc. Luck E-G will grind hog fuel material at their operation, grind the piles in the woods, and haul them back to their chip bin. This will produce by-products to be marketed to regional businesses. The company expects to create at least 5 new positions during this business expansion project. All 5 positions will be made available to low and moderate income persons.

Locality: CITY OF WOLF POINT

Name of Company: Sherman Motor Inn

Project Location: Wolf Point

Financing Date: 07/08/2008

CDBG Funds:

Grant Admin.	\$	17,391	
Loan	\$	200,000	

Other Funds:

	\$	749,800	Independence Bank
	\$	524,800	Other
	\$	122,495	Equity

Total Project **\$ 1,614,486**

Job Retention: 20 FTEs

LMI Jobs: 20 FTEs

Use of CDBG Funds: The City of Wolf Point, through Great Northern Development Corp., will provide a loan to Guy and Karen Huber to purchase the Sherman Motor Inn. The company expects to retain at least 20 positions.

Locality: CITY OF KALISPELL

Name of Company: Flathead Valley Community College

Project Location: Kalispell

Financing Date: 07/08/2008

PART I-SECTION B: INVESTMENT OF AVAILABLE RESOURCES

CDBG Funds:	
Grant Admin.	\$ 12,360
Loan	\$ 154,500
Other Funds:	\$ 154,500 FVCC
	\$ 15,000 Donated Materials
Total Project	<u>\$ 336,360</u>
Job Creation:	35 New FTEs
LMI Jobs:	35 FTEs

Use of CDBG Funds: The City of Kalispell will provide funding to FVCC to be used towards student training costs. Trained students who have completed the courses will be recruited at Plum Creek, Semitool and Sonju Industrial. This training course will provide at least 35 students that have completed their coursework with access to 35 job openings, of which 35 will be made available to low- and moderate-income persons.

Locality:	CITY OF RED LODGE AND CARBON COUNTY	
Name of Company:	Beartooth Hospital and Health Center	
Project Location:	Red Lodge	
Financing Date:	10/22/2008	
CDBG Funds:		
Grant Admin.	\$ 30,000	
Training Grant	\$ 570,000	
Loan	\$	
Other Funds:	\$ 450,000	Beartooth Hospital Foundation
	\$ 1,100,000	Community Pledges
	\$ 641,000	Beartooth Hospital Foundation Pledges
	\$ 2,500,000	Billings Clinic Loan
	\$ 6,000,000	USDA Loan
	\$ 12,395,000	USDA Revenue Bond
Total Project	<u>\$ 23,686,000</u>	
Job Creation:	30 FTEs	
LMI Jobs:	16 FTEs	

Use of CDBG Funds: The City of Red Lodge and Carbon County will provide funding to Beartooth Hospital and Health Center to be used for the purchase hospital equipment that will be utilized immediately in the existing hospital facility and moved to the new hospital upon completion of construction. The hospital expects to hire at least 30 new employees of which at least 16 of the positions will be made available to low- and moderate-income persons. Beartooth RC&D will provide administrative support.

HOME Program FFY 2008 Competitive Project Awards

(Application Deadline: February 15, 2008)

Applicant:	GALLATIN COUNTY, on behalf of Reach, Inc.
HOME Request/Award:	\$ 119,911
Total Project Budget:	\$ 342,746

Summary: Gallatin County was awarded funding for the rehabilitation of a private nonprofit organization's group home that serves individuals with disabilities. HOME funds will be used to demolish and rebuild a home that would better serve the clients. The current facility is over 100 years old and is in unstable

condition. The new home will be an up-to-date, barrier free home with an office and sleeping area for staff.

Applicant: **PARK COUNTY, on behalf of Park County Senior Center**
HOME Request/Award: \$ 500,000
Total Project Budget: \$ 1,605,705

Summary: Park County received funding to rehabilitate 24 senior residential apartments located on the second and third floors of the Senior Center in Livingston. The funding will be used to correct several life/safety issues in the housing of this 1910 building, such as the sprinkler system, fire/smoke alarm upgrades, emergency exit lighting system, structural issues, asbestos removal, upgrades to HVAC, plumbing, electrical, and elevator, physical accessibility, and needed energy improvements.

Applicant: **ROCKY MOUNTAIN DEVELOPMENT COUNCIL**
HOME Request/Award: \$ 500,000
Total Project Budget: \$ 6,671,841

Summary: RMDC, a CHDO, will acquire and rehabilitate 43 Helena apartment units for low-income seniors and/or persons with disabilities (40 1-bedroom units and 3 efficiencies) in the existing Eagles Manor II facility in Helena. The renovation is necessary to address numerous life/safety deficiencies in the 1976 building, including an inadequate fire safety system, asbestos in the building, physical accessibility for persons with disabilities, and energy conservation improvements. As part of the renovation, the applicant proposes to construct 21 units to meet 504 accessibility requirements.

HOME Program FFY 2009 Competitive Project Applications

(Application Deadline: February 13, 2009)

Applicant: **GREAT FALLS HOUSING AUTHORITY (GFHA)**
HOME Request/Award: \$ 376,000
Total Project Budget: \$ 771,011

Summary: GFHA has acquired land in southeast Great Falls and will be constructing a four-plex apartment building consisting of four, 2-bedroom handicapped accessible units. Energy efficient appliances and materials will be used. This apartment building will be located close to the hospital, schools and shopping. The targeted residents will be 30% to 60% of median income. Rent subsidies will be available to those requiring low-income housing assistance through the GFHA Section 8 Housing Choice Voucher Program. This is phase 2 of the 4-phase project.

Applicant: **GARDEN CITY CHDO**
HOME Request/Award: \$ 430,172
Total Project Budget: \$ 507,172

Summary: The Garden City CHDO proposes to purchase the Dorothy Eck House, a newly constructed 4-plex of 1-bedroom apartments located in Bozeman, from Western Montana Mental Health Center. The apartments will be affordable to those earning well below 30% of AMI who need mental health treatment in Bozeman and Gallatin County.

Applicant: PUBLIC HOUSING AUTHORITY OF BUTTE (PHA Butte)

HOME Request/Award: \$ 473,422

Total Project Budget: \$ 2,012,267

Summary: PHA Butte will construct Mountain View Apartments consisting of 1- and 2-story designs for two duplexes, one triplex, and one four-plex. A total of 11 affordable rental units will be targeted to households at or below 60% of area median income. Larger families will benefit from the unit mix of nine 2-bedrooms and two 3-bedroom units. The energy efficient units will be developed on four scattered, donated, vacant infill parcels in the vicinity of the Butte-Silver Bow Public Housing development in historic Uptown Butte.

Applicant: MOUNTAIN HOME MONTANA, INC. (MHM)

HOME Request/Award: \$ 500,000

Total Project Budget: \$ 2,041,933

Summary: MHM will construct a transitional living 5-unit apartment building and common area for low-income single parent households. The new construction will include a 2-story building with connection to city utilities and services. It will have two 2-bedroom units and three 1-bedroom units.

Applicant: LEWIS & CLARK COUNTY, on behalf of Rocky Mountain Development Council (RMDC)

HOME Request/Award: \$ 249,504

Total Project Budget: \$ 310,867

Summary: Lewis & Clark County and RMDC partnered in submitting the proposal to provide approximately 56 households countywide with tenant-based rental assistance (TBRA). RMDC will provide management to applicants for TBRA assistance for a maximum of 12 months and the assistance is intended to bridge households from substandard or no housing into safe, decent housing. Applicants who are victims of domestic violence, senior/disabled, or homeless will receive priority. The amount of rental assistance provided will be based on closing the gap between 30% of the household's income and Fair Market Rent Standard established by Helena Housing Authority.

Applicant: ROSEBUD COUNTY, on behalf of United Citizens, Inc. (UCI)

HOME Request/Award: \$ 500,000

Total Project Budget: \$ 1,688,000

Summary: Rosebud County and UCI have partnered to develop and construct a nonprofit assisted living program in Forsyth. UCI intends to renovate an empty public school facility into 14 apartments, increasing affordability of the project. One-half of the units will be HOME-assisted and dedicated to low and moderate income residents. The renovation will utilize energy efficient green building technology.

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, 2009, HOME had committed virtually all 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. None of the 2008 allocation has been committed.

**Entities Qualified for the Single-Family Allocation Pilot Program
as of March 31, 2009**

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	<ul style="list-style-type: none"> ▪ Homeowner rehabilitation
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					
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	Sheri Boelter, District VII HRDC	406-247-4752	7 North 31 st St Billings 59101	Yellowstone County	<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	Lynn Moon, 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 Menezes, 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

PART I-SECTION B: INVESTMENT OF AVAILABLE RESOURCES

District / Qualified Entity	Contact Information			Program Boundaries	Eligible Activities
	Administrator	Phone	Address		
District 10					
Glacier Affordable Housing Foundation		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		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 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, 2008- April 30, 2009²:

EMERGENCY SHELTER GRANTS 05/01/2008 – 04/30/2009		
AGENCY	HUD FUNDING	SERVICES
Action for Eastern Montana – Glendive	\$ 38,264	<p><u>Essential Services:</u> The Housing Program staff advocates for, makes referrals for, and acts as liaison between, homeless individuals & social service agencies by coordinating Emergency Services efforts with local groups.</p> <p><u>Shelter Maintenance:</u> Provide shelter rent, furnishing, utilities, insurance & Maintenance for Matthew House in Sidney & the New Life Mission in Poplar.</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 05/01/2008 – 04/30/2009		
AGENCY	HUD FUNDING	SERVICES
District IV HRDC – Havre	\$ 13,403	<u>Essential Services:</u> Essential services provided with this funding include support groups, individual support, referral, 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 that are homeless as a result of domestic abuse.
Opportunities, Inc. - Great Falls	\$ 51,824	<u>Essential Services:</u> Provide advocacy and mentoring to prevent eviction and/or obtain permanent housing for 20 households; refer 12 to job service/training; refer to or provide life skill training such as, budgeting, self-esteem, stress management for 15. <u>Shelter Maintenance:</u> Maintenance for Mercy Home for security system, furniture and carpet and for Kairos Youth Home for mattresses, and day room furniture. <u>Homeless Prevention Activities:</u> Direct services of shelter and/or prevent eviction for 50 households.
District VI HRDC – Lewistown	\$ 10,583	<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	\$ 63,980	<u>Essential Services:</u> Provision of essential services to the homeless. <u>Shelter Maintenance:</u> Payment of maintenance, operation, rent, repair, security, fuels and equipment, insurance, utilities and furnishings. <u>Homeless Prevention Activities:</u> Homeless prevention activities.
Rocky Mountain Development Council – Helena	\$ 25,610	<u>Essential Services:</u> Contract with Helena Indian Alliance (Leo Pocha Clinic) for provision of medical and medically related services to homeless individuals and families. <u>Shelter Maintenance:</u> Contract with three local area emergency shelters for provision of shelter and related services to homeless individuals and families. The shelters RMDC contracts with are The Friendship Center, God’s Love and Montana Youth Homes.
District IX HRDC – Bozeman	\$ 33,502	<u>Essential Services:</u> Funds are used to provide essential services to homeless persons. Teach Encourage Assist & Model (TEAM Mentoring) assists 8-10 individuals being released from prison to obtain employment, permanent housing and address barriers to building positive relationships. Funds are also used by HRDC Housing Advocates and Family Promise to provide 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 are used to reimburse allowable shelter operational costs for: the Network Against Violence, HRDC Transitional Housing and Family Promise for homeless persons. <u>Homeless Prevention Activities:</u> Stop foreclosure or evection per SGP guidelines. Application taken during office hours by Housing Advocate Staff at the HRDC Livingston and Bozeman offices.
Northwest Montana Human Resources - Kalispell	\$ 56,508	<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	\$ 57,076	<u>Essential Services:</u> Funds are provided to Salvation Army Emergency Housing in Ravalli County and HRC Mineral County Emergency Housing. <u>Shelter Maintenance:</u> Shelter expenses at Poverello Center, YWCA Pathways, Youth Homes, Salvation Army (Missoula) and Supporters of Abuse Free Environments (SAFE) <u>Homeless Prevention Activities:</u> First Call for Help Information and Referral Line
District XII HRDC – Butte	\$ 29,523	<u>Shelter Maintenance:</u> Funds used to support Homeward Bound, a transitional housing program for homeless families and individuals that provided food and shelter along with supportive services to help them achieve self-sufficiency. Uses include maintenance, repair, utilities and furnishings.
TOTAL	\$ 380,273	

Housing Opportunities for Persons With AIDS (HOPWA)

Although the Tri-State HELP/HOPWA program reports to HUD, a summary of its results are presented here as requested by HUD and for informational purposes. The Tri-State

HELP program 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 each of the three-year periods. This includes supportive services and 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 provides 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 2008 through March 2009	
Total Clients Receiving Services:	118
Gender: Male:	76
Female:	42
Ethnicity: Non-Hispanic:	100
Hispanic:	18
Race: African/American:	6
Native American:	37
Recent Living Situation:	
Homeless:	20
Rent/Own Home	22
Detox Cntr/Incarcerated	6
Previous HOPWA	70
Assistance Provided:	
Total # Receiving Short-Term/Emergency Assistance:	35
Total funds spent on Short-Term/Emergency Assistance	\$ 52,177
Total # Receiving Long-Term (<i>began with LT or moved to LT after being assisted with ST</i>):	92
Total funds spent on Long-Term Assistance	\$ 207,482
Total Funds Spent on Housing Assistance (<i>rental assistance & short-term emergency assistance</i>):	\$ 259,659

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

In the plan year ended 2009, 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	\$ 2,666,314
U.S. Department of Health and Human Services (LIHEAP)	\$ 2,446,465
NorthWestern Energy	\$ 2,002,159
Bonneville Power Administration	\$ 441,575
USB/MDU ³	\$ 139,679
Total	<u>\$ 7,696,192</u>

³ Universal System Benefits/Montana Dakota Utilities

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)	\$ 18,089,834
Utility Company Low-Income Discount	\$ 3,910,173
House Bill 2	\$ 1,000,000
Total	\$ 23,000,007

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 5,199 units of rental housing. For the plan year ended March 31, 2009, the MBOH allocated \$2,950,492 in federal tax credits (on April 6, 2009) for 164 units of rental housing in six projects with total project costs of more than \$29.9 million.

City/Town	Project(s)	Total Project Costs
Butte	Mountain View Apartments	\$ 2,012,267
Lewistown	Ouellette Place	\$ 5,432,616
Billings	Whitetail Run	\$ 7,277,918
Superior	Superior Commons	\$ 4,729,827
Kalispell	Spring Creek Apartments II	\$ 6,528,589
Great Falls	Franklin School Apartments	\$ 3,976,200
TOTAL COSTS		\$ 29,957,417

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:

MONTANA’S STATEWIDE CONTINUUM OF CARE HOMELESS ASSISTANCE GRANTS FEDERAL FISCAL YEAR 2008			
Applicant / Project Sponsor	Project Name	Grant Amount	
		Requested	Awarded
Helena Public Housing Authority	Samaritan Bonus Project – new SPC	\$ 174,305	\$ 153,300
YWCA, Missoula County	Ada’s Place - SHPR	\$ 101,001	\$ 102,371
Mountain Home, Missoula	Hamilton Project - SHPR	\$ 76,798	\$ 76,798
Missoula County	Share House - SHPR	\$ 196,665	\$ 196,665

MONTANA'S STATEWIDE CONTINUUM OF CARE HOMELESS ASSISTANCE GRANTS FEDERAL FISCAL YEAR 2008			
Applicant / Project Sponsor	Project Name	Grant Amount	
		Requested	Awarded
Northwest Montana Human Resources, Inc., Kalispell	Courtyard Apartments - SHPR	\$ 35,769	\$ 35,769
HRC District XII, Butte	Homeword Bound - Transitional Housing - SHPR	\$ 90,958	\$ 90,958
Poverello, Inc., Missoula	Poverello Center – SHPR	\$ 37,467	\$ 37,467
Samaritan House, Inc., Kalispell	Samaritan House Case Management – Transitional Housing - SHPR	\$ 63,000	\$ 63,000
Salvation Army, Missoula	Gateway Center - SHPR	\$ 61,579	\$ 61,579
God's Love, Inc., Helena	God's Love Family Transitional Housing Project - Transitional Housing - SHPR	\$ 150,470	\$ 143,305
Florence Crittenton, Helena	Pathways to Success - Transitional Housing - SHPR	\$ 124,546	\$ 124,546
Supporters of Abuse Free Environment, Inc., Hamilton	S.A.F.E. Transitional Housing - Transitional Housing - SHPR	\$ 35,700	\$ 34,000
MT Dept of Public Health & Human Services, Helena	Homeless Management Information System (HMIS) - SHPR	\$ 66,980	\$ 66,980
Mountain Home, Missoula	Mountain Home - new SHP	\$ 121,102	\$ 121,102
Public Housing Authority of Butte	Shelter Plus Care – Tenant Based Rental Assistance - SPCR	\$ 75,960	\$ 81,300
Helena Housing Authority	Shelter Plus Care – Tenant Based Rental Assistance - SPCR	\$ 166,992	\$ 171,696
Missoula Public Housing Authority	Shelter Plus Care – Tenant Based Rental Assistance - SPCR	\$ 488,880	\$ 498,480
Public Housing Authority of Billings	Shelter Plus Care – Tenant Based Rental Assistance - SPCR	\$ 88,200	\$ 89,820
		\$2,156,372	\$2,149,136
SPC – Shelter Plus Care; SPCR – Shelter Plus Care Renewal; SHP – Supportive Housing Program; SHPR – Supportive Housing Program Renewal			

HUD Public Housing Neighborhood Networks (NN)

The Public Housing Neighborhood Network Program gives housing authorities across the U.S. the resources to create, expand or update community technology centers. The centers must be located at or near a public housing site. These centers provide access to computers, computer training and the Internet for families who live in public housing; participants in HUD's Housing Choice Voucher Program (Section 8); and residents of the surrounding community.

These grants help the young and the old alike to become computer savvy. They give parents and children greater access to resources found on the Internet – everything from employment information to homework help. The centers generally provide a range of services to help residents achieve long-term economic self-sufficiency, including classes in computer literacy, financial planning and job training. Housing authorities also

use the funding to hire staff to manage center activities or purchase equipment for the center.

- The Public Housing Authority of Butte was awarded \$150,000 of Neighborhood Network funding in September 2008.

HUD Housing Choice Voucher Family Self-Sufficiency (HCV/FSS) Program

Montana received \$172,241 in HUD funding to provide low-income people with the necessary job training to put them on a path toward self-sufficiency. The grants allow public housing agencies to work with welfare agencies, schools, businesses, and other local partners to develop a comprehensive program to help participating individuals develop the skills and experience to enable them to obtain jobs that pay a living wage.

PHAs use the funding to hire family self-sufficiency coordinators to link adults in the Housing Choice Voucher program (formerly Section 8) to local organizations that provide job training, childcare, counseling, transportation and job placement. PHAs can also hire homeownership coordinators to help families get homeownership counseling.

Participants in the HCV/FSS program sign a contract that stipulates the head of the household will get a job and the family will no longer receive welfare assistance at the end of the five-year term. As the family's income rises, a portion of that increased income is deposited in an interest-bearing escrow account. If the family completes its FSS contract, the family receives the escrow funds that it can use for any purpose, including a down payment on a home, paying educational expenses, starting a business or paying back debts.

Montana housing authorities received a total of \$172,241 in funding:

- Housing Authority of the City of Billings \$40,241
- Missoula Housing Authority \$132,000

HUD Tribal Colleges and Universities Program (TCUP)

Native American colleges and universities receive TCUP funds to expand, renovate, and equip their own facilities, to improve student housing, and to support construction of new facilities. Most of these institutions serve remote areas and a growing number of local residents depend heavily on the education, counseling, health, and employment services they offer.

- The Salish Kootenai College, Pablo, was awarded \$750,000 to build a new campus bookstore. The bookstore will replace the oldest building on campus, a 42-year-old dilapidated tin roof and siding structure. The proposed facility will provide increased space for shipping, receiving, offices, student activities, retail merchandise, and academic and reference books. The new bookstore will serve more than 7,000 low-

income Indian students, faculty, administrators, staff, and low- to moderate-income Indian community members each year for the next 20 years.

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.

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.

- The Human Resource Development Council of District IX, Inc. (HRDC), Bozeman, was awarded \$30,108.77 for Comprehensive Counseling. The HUD grant will provide rental, emergency housing and homeownership assistance to HRDC's customers through individual and group counseling and education. Services to be provided include pre-purchase homeownership education and counseling, mortgage delinquency prevention, post-purchase counseling, counseling to locate or maintain affordable rental housing, and services for homeless persons. Services will be provided to low- and moderate-income households in the three southwest Montana counties served by the HRDC, Gallatin, Meagher, and Park.
- The Montana Board of Housing, Helena, received \$145,117.65 for Comprehensive Counseling. MBOH is one of 31 housing organization partners, including nonprofits, state and federal agencies, and private sector lenders, who formed the Montana Homeownership Network (MHN). MBOH will use its HUD grant proceeds to support MHN (d.b.a., NeighborWorks Montana) and its 19 partners who will provide rental counseling, homebuyer education and counseling, financial fitness, and foreclosure prevention all across Montana.

HUD Section 202 Program

The HUD Section 202 Capital Advance program expands the supply of affordable housing with supportive services for the elderly. It provides very low-income persons 62-years and older with the opportunity to live independently in an environment that

provides the services they need. In addition to funding the construction, acquisition, and rehabilitation of multifamily developments, HUD's Section 202 program subsidizes the rents of senior citizens so they can limit their housing costs to 30 percent of their incomes.

- Accessible Space, Inc. (ASI) received a Section 202 capital advance of \$3,519,000 for supportive housing for the elderly in Kalispell. This project will consist of 22 one-bedroom units for low-income elderly residents with one 2-bedroom unit for a resident manager. Four of the units will be fully accessible with roll-in showers and fully accessible kitchens for those residents with disabilities. Special amenities include a community room, laundry room and patio area to encourage socializing for the residents and their families and friends. The project will employ Energy Star rated furnaces, thermostats and appliances.

U.S. Department of Agriculture Rural Development Programs

In federal fiscal year 2008, 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			
9/30/2008 (FFY 2008)			
Program	Program Description	Number	\$ Amount
Rural Housing (RH)-Guarantee	Federal loan guarantees provided to lenders for single-family housing.	542	\$ 75,570,208
Section 502 Direct	Single family housing direct loan for very low- and low-income borrowers	166	\$ 21,385,466
Section 504 Loans and Grants	Repair loans and grants for very low-income borrowers	59	\$ 409,518
Housing Preservation Grants	Housing preservation grants made to entities for rehabilitation and repair	1	\$ 50,000
523 Mutual Self-Help Grants	Technical and management assistance oversight grant	6	\$ 1,504,146
515 Rural Rental Housing	Multi-family housing loans for low- and very low-income affordable housing projects	7	\$ 1,371,397
521 Rental Assistance	Rent subsidies for tenants	573	\$ 2,185,440
538 Multi-Family Housing (MFH) Guarantee	Federal Guarantee to lender for low- and moderate-income tenants	2	\$ 2,123,240
525 TMA Grant	Grant for an oversight organization to promote homebuyer education	0	\$ 0
509 Application Packing Grant	Grant for loan packaging services	0	\$ 0
TOTAL		1,356	\$ 104,599,415

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
2009 Legislature	\$ 8,654,593			
2007 Legislature	\$ 7,658,596	\$ 6,959,360	\$ 2,856,789	
2005 Legislature	\$ 4,600,000	\$ 4,596,848	\$ 3,827,795	\$ 11,339
2003 Legislature	\$ 3,700,000	\$ 3,700,000	\$ 3,470,641	\$ 21,701
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 2009 Legislature:

Name of Grant Recipient	Type of Project	TSEP Grant Amount
Beaverhead County	Bridge	290,668
Big Sandy, Town of	Wastewater	500,000
Bigfork Co. Water and Sewer (W&S)	Wastewater	750,000
Blaine County	Bridge	384,160
Bozeman, City of	Wastewater	500,000
Bridger Pines Co. W&S District	Wastewater	400,000
Broadview, Town of	Water	500,000
Brockton, Town of	Wastewater	750,000
Bynum/Teton Co. W&S District	Water	567,000
Carbon County	Bridge	492,915
Carter Choteau Co. W&S District	Water	750,000
Cascade, Town of	Water	625,000
Choteau, City of	Wastewater	500,000
Crow Tribe	Water-Wastewater	750,000
Cut Bank, City of	Water	500,000
Dutton, Town of	Wastewater	500,000
Em-Kayan Co. W&S District	Water	290,619
Eureka, Town of	Water	625,000
Fallon Co. North Baker W&S District	Wastewater	120,000
Fergus County	Bridge	\$ 167,200

PART I-SECTION B: INVESTMENT OF AVAILABLE RESOURCES

Name of Grant Recipient	Type of Project	TSEP Grant Amount
Flathead Co. Water District #8 (Happy Valley)	Water	\$ 500,000
Flathead County for Bigfork	Stormwater	\$ 625,000
Fort Smith W&S District	Water	\$ 500,000
Gardiner Park Co. W&S District	Wastewater	\$ 358,000
Gildford Co. W&S District	Wastewater	\$ 538,000
Gore Hill Co. Water District	Water	\$ 250,300
Granite County	Solid Waste	\$ 197,000
Greater Woods Bay Sewer District	Wastewater	\$ 488,000
Hardin, City of	Wastewater	\$ 500,000
Harlowton, Town of	Water	\$ 500,000
Homestead Acres W&S District	Water	\$ 573,325
Jefferson County	Bridge	\$ 160,690
Jette Meadows W&S District	Water	\$ 750,000
Judith Gap, Town of	Water-Wastewater	\$ 750,000
Kevin, Town of	Water	\$ 500,000
Laurel, City of	Water	\$ 625,000
Lewis and Clark County	Bridge	\$ 456,628
Livingston, City of	Solid Waste	\$ 500,000
Lockwood Sewer District	Wastewater	\$ 500,000
Loma County W&S District	Water	\$ 750,000
Madison County	Bridge	\$ 413,203
Melstone, Town of	Water	\$ 625,000
Nashua, Town of	Water	\$ 421,300
Philipsburg, Town of	Wastewater	\$ 750,000
Powell County	Bridge	\$ 304,248
Ravalli County	Bridge	\$ 137,193
Ronan, City of	Water	\$ 750,000
Rudyard County W&S District	Wastewater	\$ 319,000
Seeley Lake Sewer District	Wastewater	\$ 750,000
Sheaver's Creek W&S District	Wastewater	\$ 600,000
Shelby, City of	Wastewater	\$ 625,000
South Chester County Water District	Water	\$ 131,000
St. Ignatius, Town of	Water	\$ 253,000
Stevensville, Town of	Water	\$ 500,000
Stillwater County	Bridge	\$ 292,979
Sweet Grass Community Co. W&S District	Water	\$ 625,000
Sweet Grass County	Bridge	\$ 93,360
Troy, City of	Water	\$ 715,000
Upper & Lower River Rd W&S District	Water-Wastewater	\$ 500,000
Valier, Town of	Water	\$ 625,000
Whitefish, City of	Wastewater	\$ 500,000
Wibaux, Town of	Wastewater	\$ 500,000
Winifred, Town of	Wastewater	\$ 500,000
Wolf Creek Co. W&S District	Wastewater	\$ 750,000
Woods Bay Homesites W&S District	Wastewater	\$ 730,000
Yellowstone County	Bridge	\$ 228,753

The following TSEP grants for Preliminary Engineering Studies were awarded for SFY 2010 and 2011:

PART I-SECTION B: INVESTMENT OF AVAILABLE RESOURCES

Name of Grant Recipient	Project Type	TSEP Grant Amount
Amsterdam Churchill Sewer District	Wastewater	\$ 15,000
Anaconda-Deer Lodge County for West of Anaconda	Water	\$ 15,000
Augusta W&S District	Wastewater	\$ 15,000
Beaverhead County	Bridge	\$ 15,000
Big Horn County	Bridge	\$ 15,000
Big Timber	Wastewater	\$ 15,000
Bigfork W&S District	Water	\$ 15,000
Blaine County	Bridge	\$ 15,000
Brockton	Wastewater	\$ 10,000
Carbon County	Bridge	\$ 15,000
Cascade County for Sand Coulee	Water	\$ 15,000
Crow Tribe for Crow Agency	Wastewater	\$ 15,000
Culbertson	Wastewater	\$ 15,000
Darby	Water	\$ 15,000
Dawson County for West Glendive	Wastewater	\$ 15,000
Deer Lodge	Water	\$ 15,000
Dillon	Water	\$ 6,000
East Helena	Wastewater	\$ 15,000
Fergus County for Buckskin Flats	Wastewater	\$ 15,000
Fergus County	Bridge	\$ 7,300
Forsyth	Wastewater	\$ 15,000
Fort Benton	Water	\$ 15,000
Froid	Water	\$ 9,250
Fromberg	Water	\$ 15,000
Gallatin Gateway W&S District	Wastewater	\$ 15,000
Glendive	Wastewater	\$ 15,000
Granite County	Bridge	\$ 15,000
Hamilton	Water	\$ 15,000
Hardin	Water	\$ 15,000
Harlem	Wastewater	\$ 15,000
Hebgen Lake Water and Sewer District	Wastewater	\$ 15,000
Hill County Water District	Water	\$ 15,000
Hill County	Bridge	\$ 15,000
Hill County for North Havre	Wastewater	\$ 15,000
Hingham	Wastewater	\$ 15,000
Hobson	Water	\$ 15,000
Jefferson County	Bridge	\$ 15,000
Jefferson County for Clancy	Wastewater	\$ 15,000
Joliet	Water	\$ 15,000
Jordan	Water	\$ 15,000
LaCasa Grande W&S District	Wastewater	\$ 15,000
Lincoln County	Bridge	\$ 15,000
Madison County	Bridge	\$ 15,000
Melrose Sewer District	Wastewater	\$ 15,000
Missoula County for Spring Meadows	Wastewater	\$ 15,000
North Havre Water District	Water	\$ 15,000
Northern Cheyenne for Rabbit Town and Walking Horse	Water	\$ 15,000
Park County	Bridge	\$ 15,000
Philipsburg	Wastewater	\$ 15,000
Plains	Water	\$ 15,000
Powell County	Bridge	\$ 15,000
River Rock W&S District	Wastewater	\$ 15,000
Roberts W&S District	Wastewater	\$ 15,000

Name of Grant Recipient	Project Type	TSEP Grant Amount
Ronan	Stormwater	\$ 15,000
Roundup	Water	\$ 15,000
Stanford	Water	\$ 5,000
Stevensville	Water	\$ 15,000
Stillwater County for Rapelje	Water	\$ 15,000
Sweet Grass County	Bridge	\$ 15,000
Thompson Falls	Water	\$ 7,500
Townsend	Wastewater	\$ 15,000
West Yellowstone/Hebgen Lake Solid Waste District	Solid Waste	\$ 14,950
White Sulphur Springs	Water	\$ 15,000
Total Amount Awarded		\$ 900,000

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 2008, the following projects were awarded:

- The **Blackfeet Nation** was awarded \$70,000 for Pikuni Industries, Inc., a tribally-owned business. Working with Radiance Technologies, Inc. of Huntsville, Alabama, Pikuni Industries will research, develop, and prototype Advanced Lightweight Materials for military use. The Blackfeet Tribe is providing a 35,000 square foot building in the Blackfeet Industrial Park. The grant was leveraged with a \$1.6 million dollar federal grant and created four pre-commercial phase jobs.
- The **Chippewa Cree Tribe** was awarded \$70,000 to access start up funds to provide tribal workforce training and development, provide entrepreneurial training and assist in the development of entrepreneurial services and financial literacy as part of their Ojibwa Ne-i-yah-w Initiative. The Initiative recognizes that in order for the Tribe to have effective economic development and business/job development, they first must have a strong, healthy, competent workforce. The grant is matched with \$235,200 from the Tribe and is expected to initially create five jobs.
- The **Crow Tribe** was awarded \$70,000 to maintain and expand their Crow Reservation Revolving Loan Fund. The revolving loan fund provides assistance to Crow business owners by providing capital or financing that otherwise might not be available. The fund offers borrowers a variety of financing options and loan terms, which recognize the unique business environments of the Crow Indian Reservation. The grant is matched with \$80,000 from tribal and in kind funds and will retain one position.
- The **Fort Belknap Indian Community** was awarded \$70,000 for working capital and product inventory for their wholly-owned tribal business, Little River Smokehouse. The Little River Smokehouse produces buffalo jerky, snack sticks and sausage. The project is matched with \$165,000 in tribal funds. Four jobs were retained and two jobs were created.

- The **Fort Peck Tribes** were awarded \$70,000 to help allottees coordinate and manage forested lands, design and develop tracts for irrigated crops, implement best management practices, manage and market crops, assist with financing through federal and private sources and manage tax incentives and carbon sequestration units under the newly formed Fort Peck Landowners' Association. This grant supported the acquisition of a building, consultant work, utilities and repair of the building. The application match totals \$379,463. Two jobs were created initially with potential to create six additional jobs.
- The **Little Shell Chippewa Tribe** was awarded \$70,000 to design, develop, and implement a childcare center based on Chippewa traditions. Located in Great Falls, the center will partner with Great Falls Public Schools for pre-school activities. The project, leveraged with \$154,400 from various sources, will create two jobs immediately and has the potential to employ 12 to 20 at full implementation.
- The **Northern Cheyenne Tribe** was awarded \$78,000 for the continued development of their tribally-owned, multi-phased telecommunications project and for development of an arts and crafts facility that will provide tourism information, a cultural center and outside booths for artisans to sell their native arts and crafts. Funds will be used to conduct an environmental assessment and topical boundary surveys for the telecommunications project, and to support the initial business development capacity of the arts and crafts facility. Total project match is \$208,097 and is expected to create 14 jobs initially with potential for another 10 at full implementation.

Montana Department of Commerce Primary Sector Workforce Training Grant

In state fiscal year 2009, the Workforce Training Grant Application Review Committee awarded WTG funds to the following Montana businesses:

- Cabela's, Billings: \$40,000 for training 11 net new employees in managerial positions.
- Billings Clinic, Billings: \$310,000 for training 62 new employees.

Montana Board of Housing

Homeownership Mortgage Revenue Bond Program

During the period April 1, 2008 through March 31, 2009, the MBOH provided 588 loans totaling more than \$71 million to homeowners, with an average loan amount of about \$121,500. The average income of the homeowners was \$40,192.

The number of loans made during this time is much lower than at any other time in recent MBOH history. 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 in the spring and summer was significantly

reduced, causing in a major drop in loan reservations from April to August. MBOH was able to sell a new bond issue in August of 2008. However, in late August of 2008, taxable interest rates for 30-year mortgages fell below the interest rate for tax-exempt 30-year mortgage bonds and shortly thereafter, stock prices began to decline, effectively eliminating the market for tax-exempt bonds. Moreover, market mortgage interest rates continued to fall, and the remaining funds from the August bond issue were no longer competitive. As a result, the low volume of loans experienced earlier in the year was reduced to nearly nothing.

Mortgage Credit Certificate Program

For the year ended March 31, 2009, the MBOH provided 16 Mortgage Credit Certificates to homebuyers. The loans totaled nearly \$2.6 million for families with an average household income of \$44,046. The tax credits totaled \$517,766, averaging \$32,360 per homeowner.

Set-aside Homeownership Mortgage Program

During the period April 1, 2008 through March 31, 2009, the MBOH provided 224 loans totaling \$23,865,341 to lower income homeowners, with an average loan amount of \$106,542. The average income of the homeowners was \$31,728.

Disabled Accessible Affordable Homeownership Program

For the year ended March 31, 2009, the MBOH financed 16 homes for \$1,596,483 to provide affordable, architecturally accessible homes for people with disabilities so they can live independently. The average income of program participants was \$20,158, and the average loan amount was \$99,780.

MyMontanaMortgage (MMM)

The MyMontanaMortgage pilot program was initiated in the fall of 2005. For the year ended March 31, 2009, one loan was purchased.

Essential Employee Program

The Teachers Program in Ravalli County was completed as of June 30 of 2008, after financing one more loan. The Essential Employee program in western Gallatin County with Manhattan State Bank has been unable to assist any homebuyers due to the high cost of housing in the area.

Montana House™

Seven 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. One 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 completed two homes.

Risk Sharing, General Obligation Bond, and Conduit Bond Programs

No new projects were funded during the plan year through the Multifamily Risk Sharing or General Obligation programs. Two projects were approved to utilize the Conduit bond program for acquisition and rehabilitation:

- Great Falls: Villa Vista with 96 units and Parkview Apartments with 84 units.
- Kalispell: Glacier Manor apartments with 61 units for the elderly and Treasure State Plaza Apartments with 38 units for the elderly.

The MBOH will monitor the projects as it does any other tax credit project.

Reverse Annuity Mortgage (RAM) Loan Program

Two (2) reverse annuity mortgage loans closed during the plan year ended March 31, 2009 and four loans were in process. Through March 31, 2009, the program had assisted 170 senior households since it began taking applications. As of March 31, 2009, 75 loans were paid off.

Affordable Housing Revolving Loan Fund

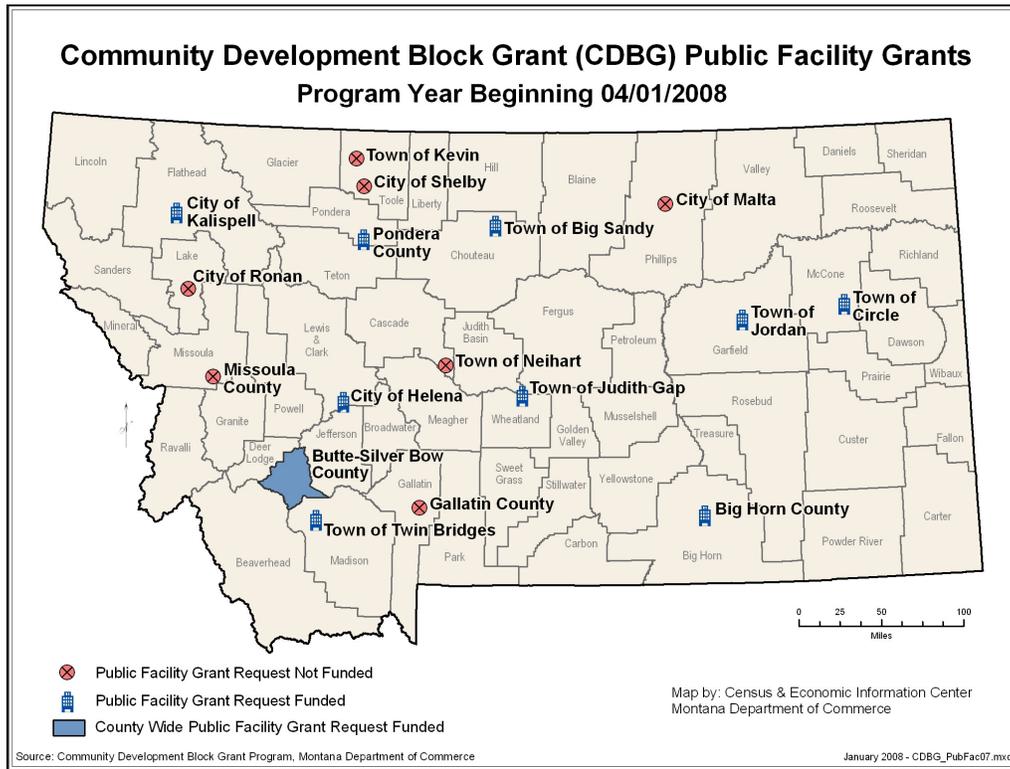
During the period April 1, 2008 through March 31, 2009, four revolving loans, totaling \$54,000, were closed for the single-family assistance program. These loans, done in partnership with NeighborWorks Great Falls and homeWORD, provide soft second and third mortgages to lower income households purchasing a home. The households must qualify under TANF rules and must complete a first-time homebuyer training course.

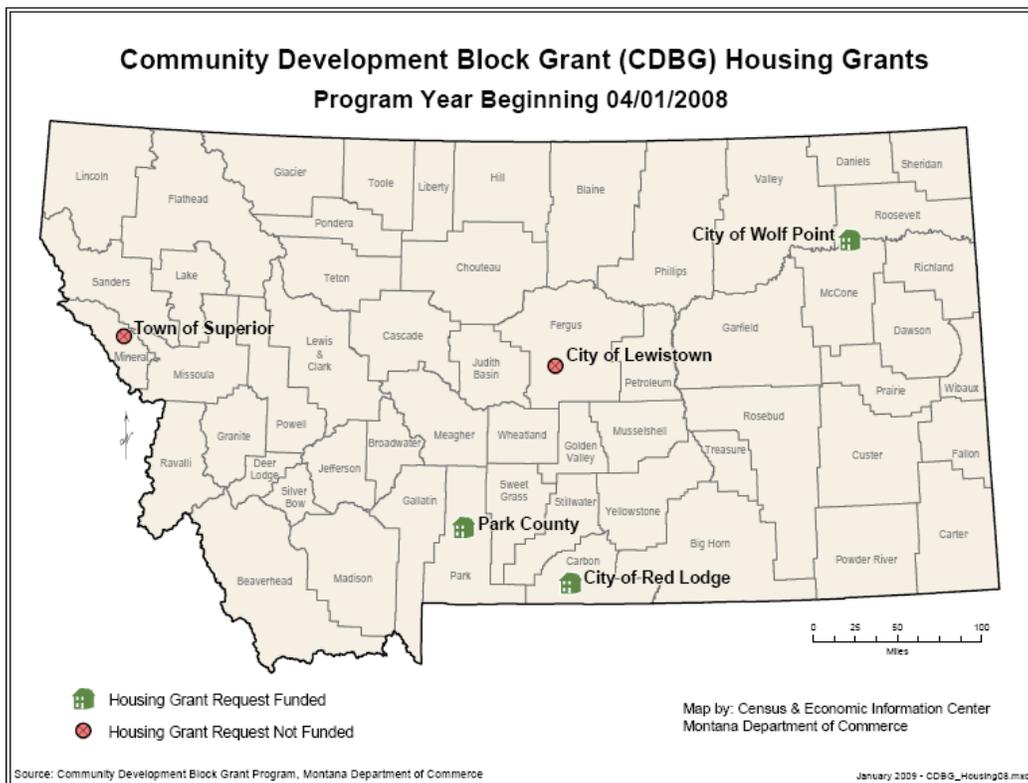
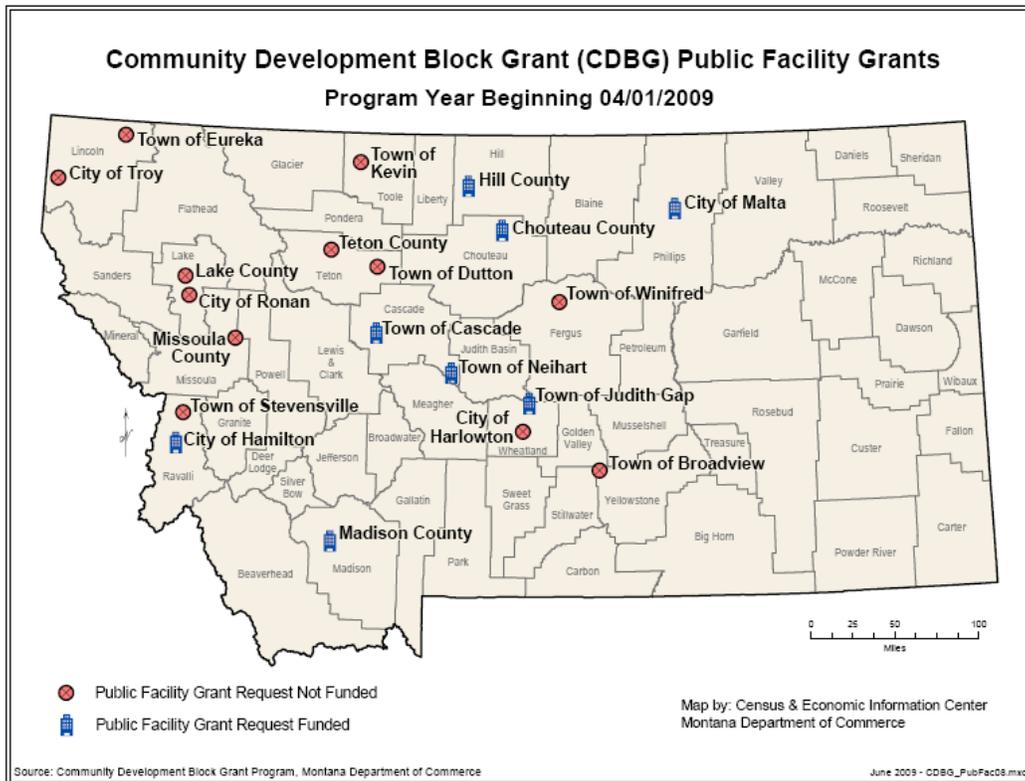
I.B.4 GEOGRAPHIC DISTRIBUTION AND LOCATION OF INVESTMENTS

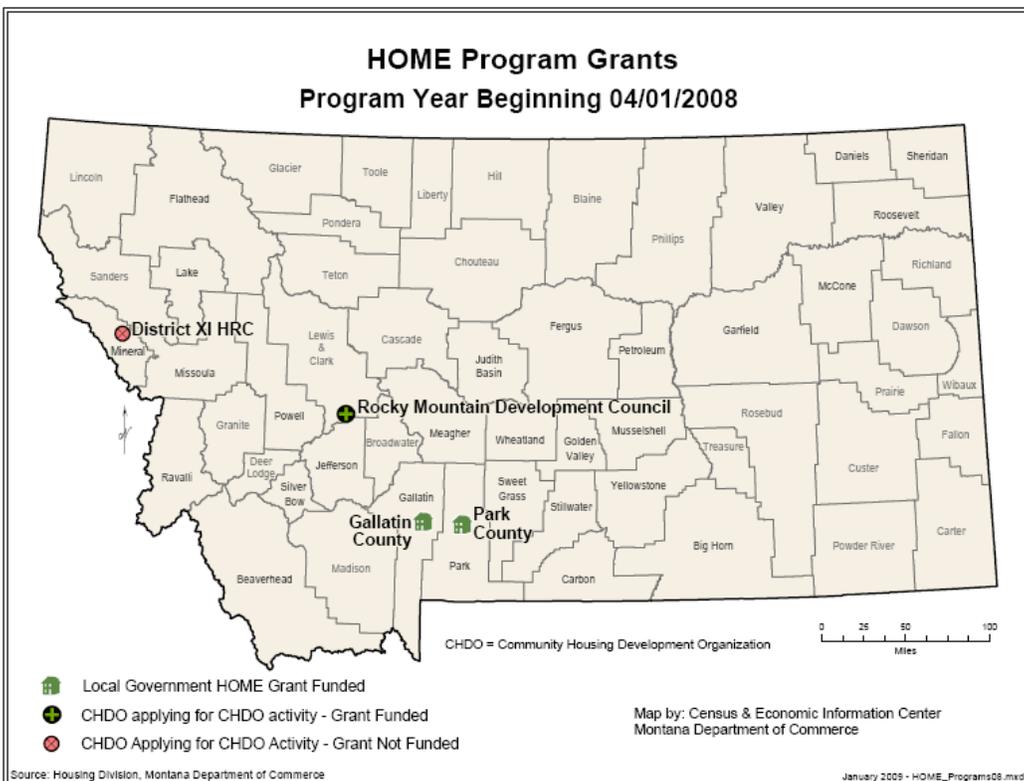
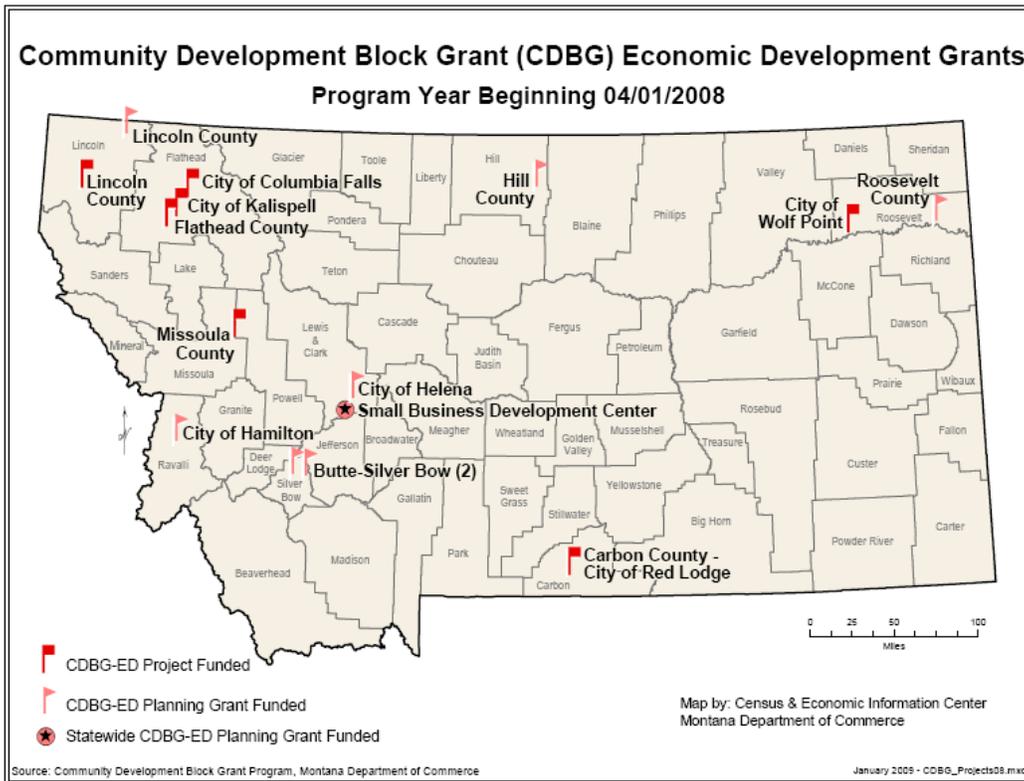
Housing and community development needs vary widely across Montana. The extreme diversity in available housing, age of housing stock, and overall range in population density complicate the assessment of the type and degree of housing and community development needs. MDOC programs are generally implemented 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.

Maps

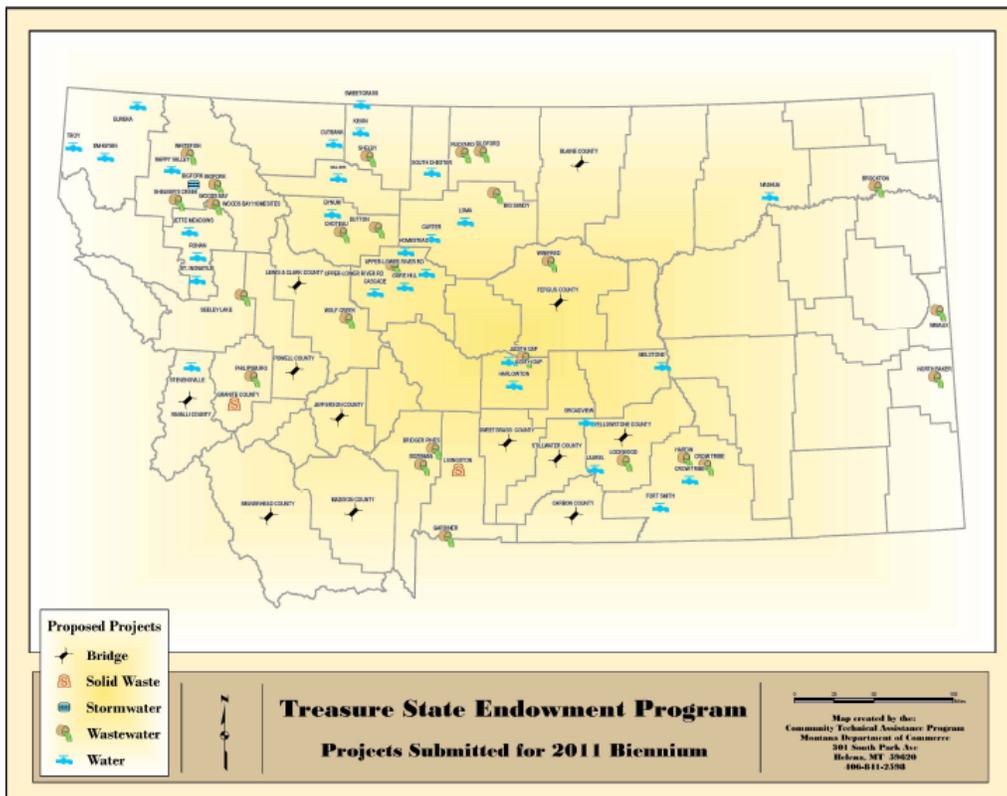
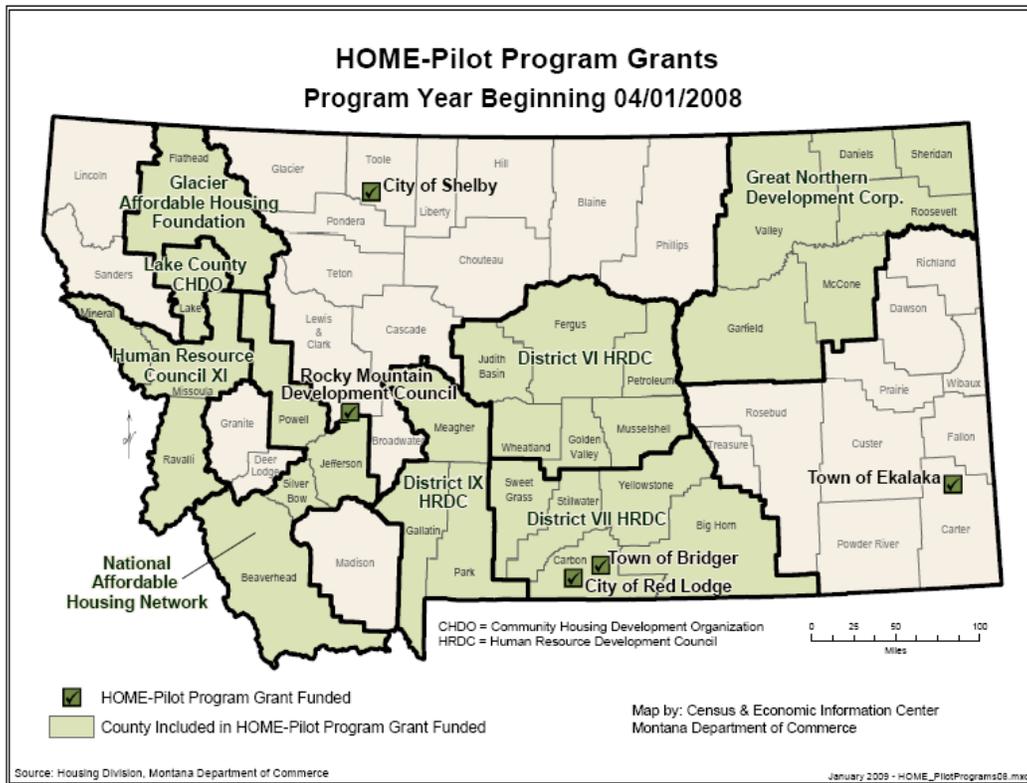
In order to view the geographic dispersion of the past year's funding activities for CDBG, HOME and TSEP, several geographic maps have been prepared. In addition, maps showing the service areas for other programs have been included.

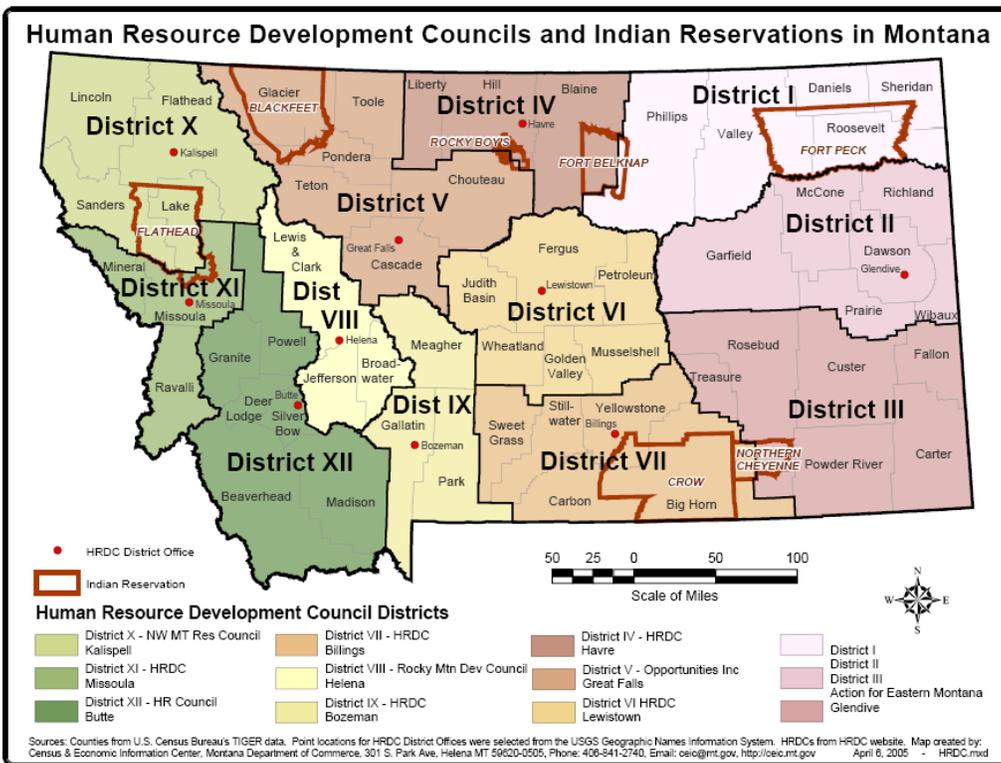
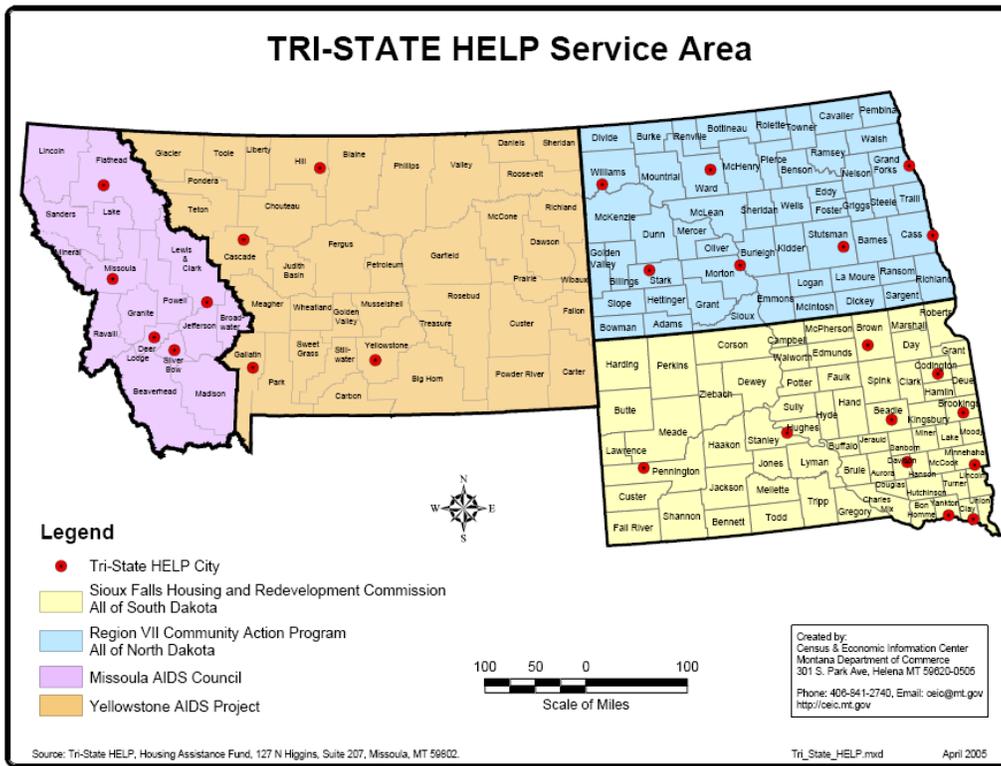


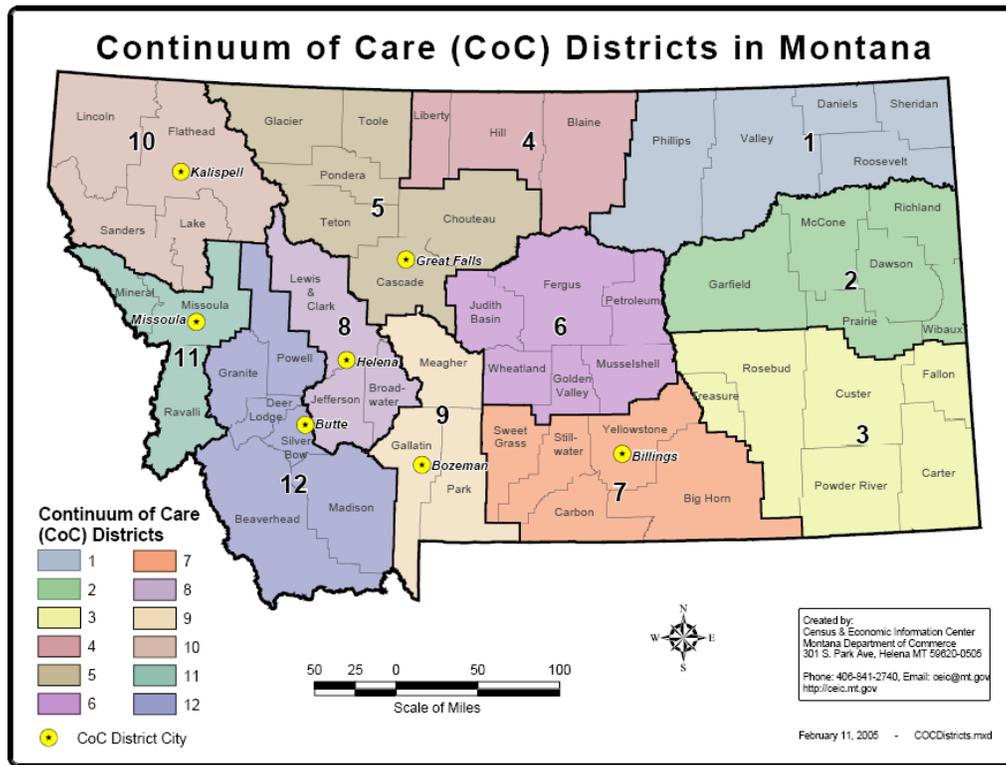




PART I-SECTION B: INVESTMENT OF AVAILABLE RESOURCES







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, FFY 2007, and FFY 2008 HUD allocations 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 2008, the allocation was \$2,048,507.

HUD allocated **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 the state receives from HUD.

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

The LIHTC program was carried out in accordance with the 2009 MBOH Qualified Allocation Plan (QAP), approved by the MBOH on July 11, 2008 and by Governor Brian Schweitzer on August 1, 2008. The QAP was amended September 8, 2008 to reflect the provisions of the Housing and Recovery Act of 2008.

I.B.7 LEVERAGING AND MATCHING FUNDS

The **CDBG-ED** 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 \$37,695,021 of other funding; i.e., each CDBG-ED dollar was leveraged by over \$18.28 in public and private funding. Based on the past five years, CDBG-ED funds have leveraged over 13 times the amount available for awards. On average, over the last five years \$12,991,912 of CDBG-ED funds were leveraged with \$166,615,914 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 \$819,982, with a total match contributed of \$163,569. Montana has excess match from prior federal fiscal years totaling \$7,019,869.

The total estimated cost of the competitively awarded projects in the plan year, including \$1,119,911 of HOME funds, was more than \$8.6 million, providing nearly \$6.7 for every \$1 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. The total ESG funds expended were \$379,110 with an equivalent amount of match required to meet the ESG objectives. The ESG program has identified the following match for May 1, 2008 through April 30, 2009⁴:

FFY 2008 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	\$11,261	\$8,403	\$15,547	\$19,194	\$5,110	\$5,119	\$10,051	\$16,928	\$3,500	
Shelter Maintenance	\$16,332	\$5,000	\$20,730	\$25,592	\$20,500	\$20,500	\$13,400	\$22,650	\$38,576	\$29,523
Homeless Prevention	\$10,671		\$15,547	\$19,194			\$10,051	\$16,930	\$15,000	
	\$38,264	\$13,403	\$51,824	\$63,980	\$25,610	\$25,610	\$33,502	\$56,508	\$57,076	\$29,523

May 1, 2008 – April 30, 2009 matching resources by subgrantee are:

- Action for Eastern Montana (AEM): donated time, private donations, and in-kind contributions.
- District IV HRDC: staff hours at the current hourly rate: State Domestic Abuse and Volunteer Hours @ \$5.00 per hour.
- Opportunities, Inc. (Opp, Inc.): subgrantees, client and agency funds, community donations, Cascade County United Way
- District VI HRDC: private donations
- District VII HRDC: United Way
- Rocky Mountain Development Council (RMDC): Helena Indian Alliance, God's Love, and private donations
- District IX HRDC: Private grants and United Way
- Northwest Montana Human Resources (NMHR): subgrantees, clients and agency funds.

⁴ The ESG contract year with its subgrantees runs from May 1 to April 30; final numbers not available at time of publication

- District XI HRC: donated space, private donations, volunteer hours, United Way, Missoula County and State General Fund
- District XII HRDC: Butte-Silver Bow County

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 unresolved findings were issued.

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, 32 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 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:

- AWARE, Inc. (2003)
- Miles City (1998)
- HRDC IX (1992)
- BSW (1997)
- Gallatin County (1996)
- HRDC IV (1998)
- City of Ronan (1993)
- Ronan Housing Authority (1999)
- HRDC IX (2001)
- City of Helena (1995)
- HRDC XI (2004)
- Garden City CHDO (1996)
- Miles City (1994)
- Bozeman Interfaith (1993)
- Bozeman Interfaith (1996)
- City of Bozeman (2004)
- City of Harlem (1996)
- Helena Housing Authority (2003)
- City of Ronan (1995)
- Regional Services (1998)
- City of Hamilton (2003)
- S.A.F.E. (1996)
- Ravalli County (2004)
- Missoula County (2001)

- Missoula County (2004)
- HRDC XII (2002)
- HRDC IX (1999)
- Garden City CHDO (1998)
- homeWORD (2004)
- Gallatin County (1996)
- City of Belgrade (1997)
- HRDC XII (1997)

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.

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 contracted 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. HUD reviews the ESG program periodically.

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 of 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 Choice⁵, 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.
- 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.
- 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.

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

- For any person in Montana with any disability who is searching for rental housing, the MTHousingSearch.com website, sponsored and paid for by the MDOC, has made the search much easier. When entering the search criteria, using the Accessible tab, there are over 20 commonly desired physical characteristics for a house or apartment that helps narrow the search immediately to a smaller subset, thus enabling anyone to find the perfect rental home for their unique needs.

Socialserve.com, which hosts the web site, has demonstrated, with their work on the MTHousingSearch.com website, a commitment to seeking out national standards and best-practices regarding the design of web pages that can be used by persons with disabilities (i.e., people who use ‘screen readers’).

- 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 Tenant Based Section 8 Program made its preliminary application available online: http://housing.mt.gov/Hous_S8_Online_App.asp. Households can apply online for the Section 8 waiting list from any location that has internet access, including public libraries, public assistance offices, etc.
- The HOME and CDBG programs provide fair housing information and program requirements in its application guidelines and administration manual. Grant

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.

recipients are required to show efforts to further fair housing, and each of the programs' staffs monitor recipients for compliance.

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 2009 Qualified Allocation Plan for the Low Income Housing Tax Credit program included points for projects that targeted 40% AMI units. Of the six projects receiving allocation credits in 2009, there were 12 units targeted for 40% AMI and 11 units at 30%. A total of 113 units are being built.

HOME Program⁹: Of the renters assisted with HOME funds, nearly 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, 16%, representing American Indian households. Census data shows that Montana's total minority population is approximately 7%.

CDBG: The Montana CDBG program reported serving approximately 95 households with some type of housing assistance, including rental housing, homebuyer assistance, and homeowner rehabilitation for the period April 1, 2008 through March 31, 2009¹⁰. 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, 2008 through March 31, 2009, the MBOH financed 16 homes for \$1,596,483 to provide affordable, architecturally accessible homes for people with disabilities so they can live independently. The average income of program participants was \$20,158, and the average loan amount was \$99,780. During the history of the program, the MBOH has financed 205 homes with \$14,368,688 in recycled mortgage funds. The average loan amount was \$70,091.

First-time Homebuyer First Mortgage Program for Borrowers with Downpayment Assistance: The MBOH combined all of its set-asides for borrowers receiving some form of down payment assistance in the spring of 2006 to create a pool of first-mortgage funds accessible to borrowers at or under 80% median income. Most of the down payment assistance for this set-aside comes from either HOME funds or the Home\$tart program of the Federal Reserve Bank. During the period April 1, 2008 through March

⁹ HUD SNAPSHOT of HOME Program Performance--As of 03/31/09 (State Participating Jurisdictions, from 1992-3/31/09): www.hud.gov/offices/cpd/affordablehousing/programs/home/snapshot/

¹⁰ IDIS report CO4PR23, Program Year 2008 Summary of Accomplishments

31, 2009, the MBOH purchased loans totaling \$19,545,038, assisting 174 first-time homebuyers.

Habitat for Humanity Mortgage Reinvestment Program: During the period April 1, 2008 through March 31, 2009, the MBOH provided \$987,959 in financing for permanent mortgages for 10 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, 2009, a total of 71 Habitat home loans totaling \$4,762,844 have been financed. The average income of the member families helped by this program this year was \$25,509.

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, 2009, this program was not needed.

Rural Housing Loan Leveraging Program: The MBOH provided \$225,900 of recycled funds for seven first-time homebuyers during the period April 1, 2008 through March 31, 2009. Funds from USDA Rural Development are leveraged in this program with the MBOH purchasing a 30-year fixed-rate first mortgage for no more than half of the purchase. The MBOH no longer required mortgage insurance on its first mortgage, eliminating the payment of mortgage insurance on the first mortgage. The MBOH does require that all borrowers take an MBOH-approved homebuyer education class that meets national certification standards. RD makes a loan secured by a second mortgage at a 1%, 2%, or 3% rate for the rest of the purchase. Borrowers had to meet RD's more stringent income limit requirements.

Due to the success of the program and at the request of RD, the MBOH expanded the program to include families with higher incomes that did not exceed 80% of the area median. The MBOH financed loan amounts now range from 10% to 50%, which allows the monthly payment rate on both loans to fall from 27% to 29% of homebuyers' income.

Essential Employees Program: There were two partner lenders providing access to this program for their areas during the period April 1, 2008 through March 31, 2009. 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. This program was completed as of June 30, 2008. 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 MBOH, the Blackfeet Community College, the Blackfeet Housing Authority, Blackfeet Manpower, and the Miles City Community College. The MBOH provides the building materials for the homes. At the community college sites, students build the homes as part of their vocational training curriculum. The homes are available for purchase by individuals or families who meet the Homeownership MRB Program criteria.

The Montana House™ is a three-bedroom, two-bath new home that is available in four different floor plans: 960 sq ft, 1008 sq ft, 1200 sq ft, or 1400 sq ft. Each home features 2x6 exterior walls with R-19 insulation, quality vinyl windows, oak kitchen and bath cabinets and energy efficient gas forced air furnace. The home comes 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. NeighborWorks Montana (NWMT) provides technical assistance for these functions.

Nine Montana House™ homes have been created since April 2005. Five of the homes have been located in Great Falls. One house was moved onto the Blackfeet Reservation during the summer of 2006. One house is under construction. The MBOH, the Blackfeet Community College, the Blackfeet Housing Authority and the Blackfeet Manpower have signed an agreement that allows them to produce Montana House™ units for use on the Blackfeet Reservation, providing much needed housing units and construction skills training for the community. The Miles City Community College, located in the eastern part of the state, has completed two homes.

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, 2008 through March 31, 2009, MBOH made 9 loans totaling \$980,042. The average loan amount was \$108,894 and the average income of the homebuyers was \$44,978. Since inception, the program has provided 65 homeowners with \$6,202,544 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 chaired the task force and arranged for monthly meetings until February of 2009, at which time Lyle Konkol from the state office of HUD chaired meetings until Rocki could return. 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 web site was developed 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 CoCC'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 CoCC 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 now been conducted five concurrent years following the same protocol and using a uniform survey instrument. The survey dates are consistent with the HUD requirement to conduct surveys during the last week in January. The 2009 survey took place on January 29. The Montana Department of Health and Human Services, the HRDC Association (community action agencies), and the statewide MTCoCC sponsor the survey of Montana's homeless population. It is implemented statewide using the 12 HRDC districts.

Survey efforts are based in the major population centers of each district where the majority—if not the only—services for the homeless exist (e.g., food banks, emergency shelters, soup kitchens and transitional housing). The population centers range in population from just over 100,000 to just under 5,000. Surveys are also conducted in the outlying communities using field offices of service providers, most notably the HRDCs. More than 200 organizations and 400 individual volunteers participate each year to reach as many homeless as possible.

All surveys are scanned into a computer database, screened to eliminate duplicates and the data is converted to a query-based website for public access.

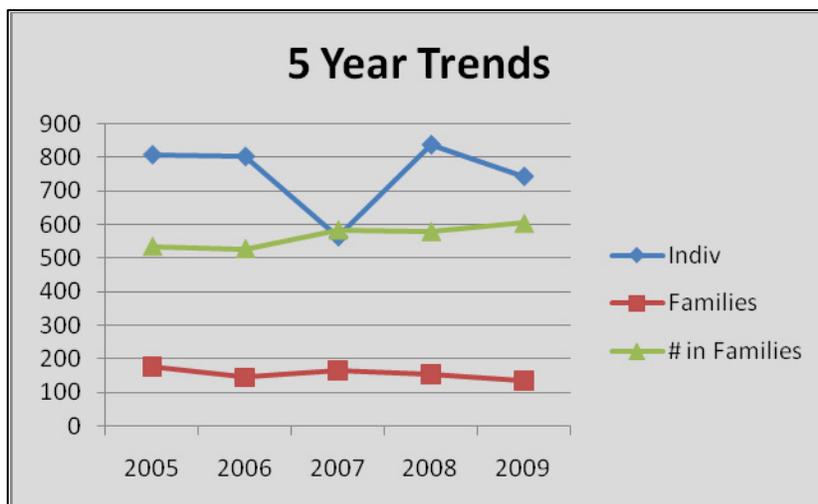
Capturing homeless populations in remote rural areas can be especially challenging and while any homeless survey will fall short of rigorous scientific standards (lacking a known universe and faced with a number of uncontrolled variables), it nonetheless provides consistent data that both offers a valuable profile of homelessness in Montana and sufficient information for planning.

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 57.)

Homeless numbers in Montana have fluctuated over the five years but have not shown any appreciable decrease despite the creation of 210 beds of permanent supportive housing and 260 transitional housing beds or services supporting those beds. The following chart and table illustrate the survey results:



By Year: Individuals, Families, # of Family Members						
	2005	2006	2007	2008	2009	5 Yr Ave.
Individuals	808	803	565	838	744	752
Families	177	145	166	154	135	155
# in Families	535	528	585	580	605	567

More than half (54%) of Montana's homeless are found in only two districts anchored by the state's largest cities of Billings and Missoula. Another thirty-four percent can be found in the three areas of Great Falls, Helena and Kalispell with each sharing about 10% each. The remaining five districts share eleven percent of the remaining homeless population.

Continuum of Care funding is the principle resource for funding homeless programs and was used to establish virtually all of the permanent supportive housing beds (VA funding also used) and transitional beds described above. The Pro Rata funds (see table) are awarded competitively but the pattern of grant applications has resulted in a distribution disproportionate to the homeless population.

District	Homeless	Pro Rata	CoC Grants
1,2,3 Glendive	1%	11%	0%
4 Havre	1%	4%	0%
5 Great Falls	10%	16%	0%
6 Lewistown	1%	3%	0%
7 Billings	27%	16%	6%
8 Helena	11%	6%	23%
9 Bozeman	5%	8%	0%
10 Kalispell	13%	13%	4%
11 Missoula	27%	13%	55%
12 Butte	3%	10%	6%
State			6%

To address this issue as well as to revamp planning efforts that can achieve a greater decrease in the homeless numbers, the Montana Continuum of Care Coalition is implementing a HUD T/TA planning grant this summer and fall that will include a statewide planning conference facilitated by HUD provided consultant Ann Denton and is being co-sponsored with the Governor's Council on Homelessness

Montana Council on Homelessness

In response to the growing problem of homelessness in Montana, former Governor Judy Martz issued an Executive Order in June 2004, establishing the Montana Council on Homelessness. The MTCoH was structured to establish vital links among the efforts and resources of state and federal agencies, communities, tribes, nonprofits, and others. The MTCoH is charged with developing a 10-year plan to eradicate chronic homelessness in Montana and with addressing this multi-faceted issue through policy, protocols, recommendations for legislation and the creative use of new and existing resources. The MTCoH members came from the public, private, and business sectors as well as state and federal agencies.

On December 21, 2006, Governor Brian Schweitzer signed the Executive Order to continue and amend the Montana Council on Homelessness. Executive Orders are

designed last for two years, and then must be renewed. Governor Schweitzer continued the MTCoH until December 2008. Hank Hudson, Administrator of the Human and Community Services Division of the DPHHS and Lieutenant Governor John Bohlinger continued to serve 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 includes a variety of community-based stakeholders chosen from throughout the state. In view of the need for participation of state agencies, the MTCoH will work with an intergovernmental team on homelessness comprised of the state agencies that provide services to homeless individuals. Additionally, the MTCoH has the latitude to invite representatives of federal, tribal and local agencies to participate on the Intergovernmental team.

MTCoH completed and adopted a living 10-year plan to end chronic homelessness and to impact homelessness overall in April 2008, and has undertaken a number of implementation steps in support of actualizing the plan.

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 short- and long-term goals and annual priorities to reduce homelessness; and
- Provides a bi-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. 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 often 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.

Re-entry: 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 have access to some income and to Medicaid. Several SOAR classes have been held specifically for persons who work on corrections transitions. This has been a useful tool given that mental illness and co-occurring disorders are often linked, and it is not uncommon for prison to be one of the only times that an individual can be observed for the symptoms of mental illness without the effects of substance abuse.

Several innovative and successful tools are in place in Montana. The state's first Behavioral Health Program Facilitator was hired as a liaison between the Departments of Corrections and Public Health and Human Services. Some of the other mechanisms put in place were discussed in a recent edition of the *Prevention Connection Newsletter*¹¹), a publication funded through the state's Chemical Dependency Block Grant and published by the Prevention Resource Center. An article by the Behavioral Health Program Facilitator speaks to some of the efforts that ultimately will help keep persons who are mentally ill and reentering the community after prison sentences from becoming homeless.¹²

Additional mechanisms that may result in reduced homelessness due to addiction and co-occurring disorders include the state's seven new long-term residential treatment facilities for low-income citizens. The new centers form the Resident Treatment Expansion Consortium and will be located at sites across the state, including Billings, Miles City, Bozeman, Great Falls, Boulder, Rocky Boys Indian Reservation, and Kalispell. Residents will live on-site away from the environments that fostered their addiction. Recent studies show that treatment is cost effective, with some measurements showing a benefit-to-cost ratio of up to 7:1. Each center will serve 10-12 people annually and two locations will be devoted to American Indian clients. The program will serve about 107 people per year and residents will stay for six to nine months. In general, those admitted into the program will be non-violent individuals with

¹¹ <http://www.prevention.mt.gov/resource/prevconn/pcarchives.asp>

¹² http://www.prevention.mt.gov/resource/prevconn/files/2008/Winter_2008.pdf, page 21

a minimal criminal past and are motivated to recover. Clients will receive follow-up care in the community after treatment.

Montana's prerelease facilities, nonprofit corporations under contract with the Montana Department of Corrections, are also an effective tool designed to ease the transition of offenders from correctional institutions to living independently in the community. Centers are located in Billings, Bozeman, Butte, Helena, Great Falls, and Missoula. Each center has a screening committee that reviews offender information and decides whether the offender is appropriate for the local facility. While in prerelease, offenders receive, as appropriate, treatment, education, counseling, job training and placement, and transitional living opportunities. Offenders leave the centers only for approved destinations. They are required to check in and out, and center staff monitors their movement. The centers require offenders to find a job and each center has a full-time employment specialist that assists them in finding work. The centers provide assistance with resumes and job interviewing techniques, assess every offender coming into their program, and develop a program to cater to each offender's needs.

Youth: It is also very difficult to find housing for youth coming out of foster care. According to a Winter 2007 Prevention Connection article¹³, there are approximately 1,700 Montana children in foster care at any given time. About 100 will age out each year. They will be at high risk of becoming homeless because they lack familial, economic and social resources, have limited education and employment experience, and receive relatively poor mental and physical health services.

The John H. Chafee Foster Care Independence Act of 1999 was created to assist with transition from foster care to independence. Its purpose was to provide states with flexible funding for financial, housing, counseling, employment, education and other supports and services targeted to former foster care recipients between the ages of 18 and 21. The Chafee Program in Montana, the Montana Foster Care Independence Program, 10% – 15% of its funds for housing assistance. About 40% of eligible foster youth access Chafee services.

Activities to Address Homelessness

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

- The **CDBG Program** awarded FY 2008 funds for the following projects:
 - \$329,080 to Butte-Silver Bow County to improve the Butte-Silver Bow Food Bank's facility. The food bank serves approximately 1,000 people monthly whose incomes are at or below 150% of the poverty level.

¹³ Foster Youth and Homelessness. Heather Winter. Winter 2007 Prevention Connection. P. 6.
http://prevention.mt.gov/resource/prevconn/files/2007/prevconn_2007_winter.pdf

- \$315,000 to the City of Helena, on behalf of Montana Youth Homes, for the construction a youth group home facility. The home will provide a safe and structured living environment for abused, neglected, abandoned and homeless girls between the ages of 12 and 18.
 - \$315,000 to the City of Kalispell, on behalf of Flathead Attention Home, to construct a youth home. The home will provide 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.
- Six Montana cities now sponsor Stand Downs or access fairs (sometimes known as Project Homeless Connect) for persons who are homeless. The events are designed to raise public awareness of the issue of homelessness, provide a safe one-stop setting where people who are homeless or at high risk of homelessness can access mainstream services, and bring volunteers together with persons experiencing homelessness in a way that begins to reduce fear and stigma. Communities throughout Montana have been extremely supportive of these events, which are encouraged by and supported through technical assistance from the MTCOH.
- The *Way Home Stand Down and Access Fair* is an event for persons who are homeless or at high risk of homelessness in the **Helena** area. This annual event has been held at St. Paul's United Methodist Church 2005, although it has now outgrown the venue. More than two dozen local agencies come together in support of providing a welcoming place where those who need them can learn about and apply for mainstream services (e.g., vocational rehab, SSI/SSDI, Veterans benefits, treatment, housing, etc.), speak to a doctor or nurse, have their blood pressure and insulin levels checked, get appointments and referrals, take a shower, get a haircut, and receive goods (e.g., warm clothing, sleeping bags, back packs, blankets, etc.) and food (commodity foods from Food Share).
 - More than 60 government agencies, nonprofits, social service providers, and local businesses participated in the third **Missoula** Project Homeless Connect (PHC). Some of the services and other items provided included: child and family services; clothing and personal hygiene items; credit and financial services; dental care and dental care packets; disability services referral information; employment and education information; eye care and eyeglasses; food; housing counseling; information on transitional housing, emergency shelter and other housing options; legal assistance and referrals; medical screening and testing; mental health crisis counseling and referral; pet services and food; public benefits and food stamp information, eligibility screening, and referral; Medicare and Medicaid information; and transportation services and information.
 - The Mayor's Committee on Homelessness sponsors the annual Project Homeless Connect event in **Billings**. The one-day event that brings together homeless service providers in one place, at the same time, in order to come to the aid of those experiencing homelessness. Each year, PHC is held in

conjunction with the Montana State Housing Survey, which is used to leverage funding for homeless services throughout the state. In 2008 over 400 people attended and received information or services from providers who offered access to: shelter; transportation; ID cards; payee services; rental assistance; housing referrals; eyeglasses; Social Security Income; employment training; food box requests; Low Income Energy Assistance Program, childcare assistance, career counseling, mental health services, WORC Program, tax preparation; ordering birth certificates; food stamps; TANF; Medicaid; Social Security cards; disability referral; health care; dental care; haircuts; clothing; hygiene kits; addiction treatment services; American Indian services; early childhood education, educational opportunities; crisis intervention; vocational rehab; and more.

- Similar to the Access Fairs or Project Homeless Connect events, Stand Downs are supported by the Department of Veterans Affairs and are designed to provide services to homeless veterans. Stand Downs, typically lasting one to three days, are collaborative events, coordinated between local VAs, other government agencies, and community agencies who serve the homeless. One of the nation's largest Stand Downs, held in Libby, is sponsored by the North West Montana Veterans Stand Down and Food Pantry.

Date	# of Days	Location
5/16/2009	1	Missoula
8/15/2009	1	Hamilton
8/29-30/2009	2	Anaconda
9/12/2009	1	Billings
9/18-19/2009	2	Helena
9/24-26/2009	3	Great Falls
10/3-4/2009	2	Libby

- 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, 21 homeless persons are currently being served statewide. Since 2005, a total of 36 homeless persons have been served. This initiative represents an important partnership between MDOC housing capacity and MDPHHS funded support services.

- In partnership with Veterans Affairs, Homeless Veteran Program, the MDOC through partnership with, located at Fort Harrison, has 35 VASH vouchers to assist homeless veterans and their families. Currently, 25 veterans are housed or are in the process of being housed in Missoula, Helena, and surrounding areas. The ultimate goal of the program is to house homeless veterans statewide.

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 eligible through the **HOME program**. The HOME Program awarded Gallatin County \$119,911 to assist Reach, Inc. with the construction of accessible housing for its clients.

Since the inception of the program in 2005, the MDOC Section 8 Homeownership Voucher program has assisted 37 persons, 23 of whom are disabled, with 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 the set-aside 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.

Elderly

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

- In 2008, the LIHTC program allocated funds to three projects at \$495,244 for completing 88 elderly units.

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- The CDBG program awarded funds for the Park County Senior Citizens Center sponsored by Park County to assist 24 elderly units.
- The HOME program awarded \$1 million in funds to Park County and Rocky Mountain Development Council to assist a total of 68 units of elderly housing (14 HOME-assisted units).

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 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 contractor was selected and the housing locator service, MTHousingSearch.com, is now up and running.

- 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
Gus Byrom, Manager CDBG Program Community Development Div. MDOC Helena, MT	Deborah Chorlton, Housing Director Rural Development USDA Bozeman, MT	Dave Cole, Administrator Community Development Division MDOC Helena, MT
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
Leslie Edgcomb, CP Coordinator Housing Division MDOC Helena, MT	Tom Friesen, Director MT Field Office HUD Helena, MT	Larry Gallagher MT Field Office HUD Helena, MT
Betsy Hands, Executive Director homeWord Missoula, MT	Pam Higgins, Regional Director Midwest Assistance Program Lewistown, MT	Hank Hudson, Administrator Human & Community Services Division MDPHHS Helena, MT
Keith Kelly, Director Department of Labor & Industry Helena, MT	Frank Kromkowski CDBG Program Specialist Community Development Div. MDOC Helena, MT	Nancy Leifer, Manager Homeownership Program MBOH Helena, MT
Gene Leuwer, Executive Director Rocky Mountain Development Council Helena, MT	Maureen Martin, Chief Housing Assistance Bureau Housing Division MDOC Helena, MT	Executive Director Helena Housing Authority Helena, MT
Jim Morton President Human Resource Council Association Missoula, MT	Jim Nolan Intergovernmental Human Services Bureau Chief MDPHHS	Michael O'Neil, Director MT Home Choice Coalition State / Program Officer, A.W.A.R.E. Inc. Helena, MT
Gloria O'Rourke MT Economic Development Association Anaconda, MT	Jennifer Olson CDBG Program Specialist Community Development Div. MDOC Helena, MT	Dave Parker, Manager Project Based Section 8 Housing Division MDOC Helena, MT
Sheila Rice, Executive Director NeighborWorks Great Falls / MT HomeOwnership Network Great Falls, MT	Byrom Roberts, Executive Director MT Building Industry Association Helena, MT	Mat Rude, (former) Manager Multi-Family Program MBOH Helena, MT
	Gerry Watne, Manager Multi-Family Program MBOH Helena, MT	Deb Williams Volunteer & Communication Coord. Helena Area Habitat for Humanity Helena, MT

The annual tax credit Qualified Allocation Plan information gathering meeting was held May 30-31, 2008 in Whitefish, Montana. Nearly 50 participants discussed the QAP and made recommendations to changes for the 2009 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 2009.

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, 2008 in West Yellowstone. 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/>

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), doing business as NeighborWorks Montana, 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, homeWORD, and some Indian tribes 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, 2009 grant competition totaled \$500,000. 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
- National Affordable Housing Network, Butte
- NeighborWorks Great Falls
- 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, 2009 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 Montana Department of Labor and Industry. The Job Service often 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 implemented a website for property owners to list vacant rental units around the state to help Montanans find and secure affordable housing. The website, MTHousingSearch.com is a resource for low- and moderate-income Montanans as well as renters at any other income level. The functionality of the Housing Locator service is 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 provides information on all available rentals that fit the search criteria in the ZIP code area.

The Tenant Based Section 8 Program made its preliminary application available online: http://housing.mt.gov/Hous_S8_Online_App.asp. Households can apply online for the Section 8 waiting list from any location that has internet access, including public libraries, public assistance offices, etc.

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 MBOH offers a set-aside program to purchase HUD 184 loans for Native American borrowers. This helps eliminate barriers for Native Americans by providing a secondary market for HUD 184 loans. As other secondary lenders tightened their lending criteria in the wake of the subprime lending crisis, many also tightened their requirements for HUD 184 loans, making them harder to fund. The MBOH has not changed its requirements,

and continues to be a reliable source on the secondary market for purchase of these loans.

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 have 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.

On April 22, 2008, EPA issued a rule¹⁴ requiring the use of lead-safe practices and other actions aimed at preventing lead poisoning. Under the rule, beginning in April 2010, contractors performing renovation, repair and painting projects that disturb lead-based paint in homes, child care facilities, and schools built before 1978 must be certified and must follow specific work practices to prevent lead contamination. Until that time, HUD and EPA recommend that anyone performing renovation, repair, and painting projects that disturb lead-based paint in pre-1978 homes, child care facilities and schools follow lead-safe work practices.

Beginning in December 2008, the EPA rule required that contractors performing renovation, repair and painting projects that disturb lead-based paint provide the lead hazard information pamphlet *Renovate Right: Important Lead Hazard Information for Families, Child Care Providers, and Schools*¹⁵ to owners and occupants of child care facilities and to parents and guardians of children under age six that attend child care facilities built prior to 1978

Starting on April 22, 2010, the EPA rule will affect paid renovators who work in pre-1978 housing and child-occupied facilities, including:

- Renovation contractors
- Maintenance workers in multi-family housing
- Painters and other specialty trades.

Under the rule, child-occupied facilities are defined as residential, public, or commercial buildings where children under age six are present on a regular basis. The requirements apply to renovation, repair or painting activities. The rule does not apply to minor maintenance or repair activities where less than six square feet of lead-based paint is disturbed in a room or where less than 20 square feet of lead-based paint is disturbed on the exterior. Window replacement is not minor maintenance or repair.

However, there are some differences between the EPA Renovation, Repair, and Painting (RRP) Rule and the HUD Lead Safe Housing Rule (LSHR). A major difference is that the LSHR requires clearance examinations. All housing receiving federal assistance must still comply with HUD's LSHR. HUD's Office of Healthy Homes and Lead Hazard Control (OHHLHC) web site provides information on complying with the LSHR and RRP.¹⁶ Additional information and requirements for renovators is available on HUD's web site.¹⁷

The MDOC began notifying its grantees about the new requirements in January 2009, and will continue disseminating information on the rule as it becomes available. The

¹⁴ Go to: <http://www.epa.gov/fedrgstr/EPA-TOX/2008/April/Day-22/t8141.htm>

¹⁵ Available at: <http://www.hud.gov/offices/lead/library/lead/renovaterightbrochure.pdf>

¹⁶ Go to: http://www.hud.gov/offices/lead/enforcement/lshr_rrp_changes.cfm

¹⁷ Go to: http://www.hud.gov/offices/lead/enforcement/lshr_renovators.cfm.

MDOC will also promote lead safe housing training opportunities as it becomes aware of them.

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.

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.¹⁸

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.

¹⁸ 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>

CDC recommends that children be tested for lead at 12 months and at 24 months of age.

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 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.¹⁹ 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.

¹⁹ 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

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 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, 2008 through March 31, 2009. 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 231 households with rental assistance and home ownership assistance. In total, 100 households were reported as receiving some type of rental assistance, either tenant based rental assistance (TBRA) or rental housing. Another 131 received homeownership assistance, either rehabilitation for existing homeowners or down payment and closing cost assistance for homebuyers.²⁰

Existing homeowners received rehabilitation assistance to bring their property up to decent, safe, and sanitary conditions. The HOME program reported 40 households assisted with some type of rehabilitation, with eight (20%) of the households having an income at or below 30% of AMI. Additionally, 91 households, with 32% of those at 50% or less of area median income (AMI), were able to purchase their own homes after receiving down payment or closing cost assistance or both.²¹

The Montana **CDBG program** reported serving 95 households²² with some type of housing assistance including rental housing, homebuyer assistance, and homeowner rehabilitation for the period April 1, 2008 through March 31, 2009. Of the persons and households receiving housing assistance during the plan year, 92 had incomes at or below 80% of AMI.

The MDOC **Tenant Based Section 8** Housing Assistance program reported that of the 3,389²³ households receiving assistance:

- 409 were identified as having an elderly head of household
- 1,413 were single-person households
- 1,333 were small, related, non-elderly households (2-4 people)
- 234 were large, related non-elderly households (5+ people)
- 3,383 households for which the income level was reported had incomes 50% or less of AMI
 - 2,728 of those households had incomes at 30% or less of AMI

²⁰ IDIS CO4PR23 Report, Program Year 2008 Summary of Accomplishments

²¹ *Ibid.*

²² *Ibid.*

²³ The income level for some households was not available because the households came on the Section 8 program before income targeting was implemented.

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- 1,431 special needs households received Section 8 rental assistance
 - 1,428 of the special needs households had incomes 50% or less AMI
 - 1,165 of those had incomes at 30% or less of AMI
- 20 homeless individuals, with incomes at 50% or less AMI, received Shelter Plus vouchers for rental assistance
 - 18 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	5,435	210	2,973
Black / African American	83	7	37
Asian	20	0	10
American Indian/Alaska Native	2,004	56	727
Native Hawaiian / Other Pacific Islander	14	2	4
American Indian / Alaska Native & White	26	2	145
Asian & White	2	0	0
Black / African American & White	8	0	0
American Indian / Alaska Native & Black / African American	5	0	2
Other Multi Racial	5	0	1
Totals	7,879	277	3,68

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 2009 Homeless Population and Subpopulations Chart for data from the 2009 point-in-time count

Continuum of Care Homeless Population and Subpopulations Chart				
Date of point-in-time count: January, 31 2008 (2009 data not available at time of publication)				
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 5/1/2008–4/30/2009, 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:

- 24,385 residents, including 22,709 adults, 1,655 children and 21 unknown; and 13,855 non-residents
 - 26,629 were white, of which 926 were Hispanic
 - 794 were Black/African American
 - 213 were Asian
 - 3,214 were American Indian/Alaskan Native, of which 3 were Hispanic
 - 21 were Native Hawaiian/Other Pacific Islander
 - 24 were American Indian/Alaskan Native/White
 - 1 was Asian/White
 - 5 were Black/African American/White
 - 1 was American Indian/Alaska Native/Black African American
 - 229 were Other Multi-Racial
- 20,522 were chronically homeless; 10,568 severely mentally ill; 10,271 chronic substance abuse; 5,634 other disabilities; 16 with HIV/AIDS; 2,267 elderly; 4,200 victims of sexual assault; 5,100 veterans
 - 19,866 received nights of shelter lodging and 853 received hotel/motel nights

The Tri-State HELP/**HOPWA program** was awarded a renewal grant for an additional three-year period beginning October 1, 2008 through September 30, 2011. The Yellowstone AIDS Project (YAP) received \$120,461 per year. In February 2006, the additional TS HELP Plus grant began for three years; 2/1/2006 through 8/30/2009 including the extension period, in the amount of \$437,293 or \$145,764 annually, which increased TBRA assistance for an additional 15 individuals.

YAP, serving the MT-Billings Eastern Region that includes 40 counties, reported serving 61 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: 21
Average Age: 31 - 50 years
American Indian/Alaska Native: 16
Black/African American: 6

Special Needs Category:

Chronically Homeless..... 5 Veterans 2 Domestic Violence Survivor 7

YAP was able to provide TBRA to assist 46 individuals and short-term emergency assistance for 22 individuals, as well case management and referral services.

The Missoula AIDS Council (MAC) received \$135,440 per year. In February 2006, the additional TS HELP Plus grant began for three years, 2/1/06 through 8/30/09 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 67 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: 39 Female: 21

Average Age: 31 - 50 years

American Indian/Alaska Native: 11

Special Needs Category:

Chronically Homeless..... 5 Veterans 3 Domestic Violence Survivor 6

MAC was able to provide TBRA to assist 46 individuals and short-term emergency assistance for 13 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

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SECTION A - EFFECTIVENESS OF STATE'S PERFORMANCE

II.A.1 STATE'S EFFECTIVENESS IN MEETING ONE-YEAR (2008-2009) 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 Table²⁴ 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 2008, the HOME program allocated \$1,597,797 for single family projects through the Single Family Allocation Pilot Program. HOME continued to provide funds for rehab and homebuyer grants previously awarded.

²⁴ State of Montana Five-Year Consolidated Plan, April 1, 2005 – March 31, 2010, page 41.

- The MBOH continued to make bond funds available to assist a total of 588 low-to moderate-income homebuyers during the year with \$71 million of financing. Provision of the regular bond program loans was severely curtailed due to the dislocation of the mortgage revenue bond market as an effect of the subprime mortgage crisis and subsequent collapse of the credit and stock markets.
- 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, \$517,766 in credit authority assisted 16 eligible homebuyers and the MBOH anticipates this will grow over the next year if conventional mortgage interest rates remain lower than tax-exempt bond mortgage rates.
- 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 \$23.9 million available for financing to 224 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 10 families with \$1,596,483 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 \$250,000 of its own funds to support this effort.
- The MDOC continued to explore creative means to deliver homebuyer training in rural areas, investigating web-based training.
- 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 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. MBOH also began working with Miles City Community College who completed two homes during the plan year. Altogether, nine Montana House homes have been created since April of 2005.
- *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 \$1,119,911 to Gallatin County (Bozeman), Park County (Livingston), and Rocky Mountain Development Council (Helena) to construct or rehabilitate rental housing with 15 HOME-assisted units, and a total of 69 units. HOME also continued to distribute funds to previously awarded rental projects.
 - LIHTC program funds were awarded to construct or preserve 99 units of rental housing around the state.
 - The Section 8 housing choice voucher program provided essential rental subsidy to 3,389 very low- and low-income Montanan households.
 - 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.*²⁵

- 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, 2009, the RAM program had assisted 170 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.
- HOME and CDBG program funds and LIHTC funds were used to develop projects targeted to physically, developmentally, mentally disabled, elderly households.
- 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*²⁶.

²⁵ 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*²⁷, the listing provides basic information on where citizens can find assistance for issues relating to housing rights, fair housing, legal issues, etc.²⁸

- The Housing Locator Subcommittee of the HCT developed a website for property owners to list vacant rental units around the state to help Montanans find and secure affordable housing. The free website, MTHousingSearch.com, is a resource for low- and moderate-income Montanans as well as renters at any

²⁶ *Analysis of Impediments to Fair Housing and Housing Choice*, Western Economic Services, LLC, November 2004.

²⁷ *Montana Housing Resource Directory*, Montana Department of Commerce, November 2007; http://housing.mt.gov/Hous_CP_HsgResDir.asp

²⁸ 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.

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

- The Tenant Based Section 8 Program made its preliminary application available online: http://housing.mt.gov/Hous_S8_Online_App.asp. Households can apply online for the Section 8 waiting list from any location that has internet access, including public libraries, public assistance offices, etc.

➤ *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 2009 Joint Housing Application Workshops were held in Glendive, Billings, Missoula, and Great Falls during October 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 Noncompetitive Program described earlier (page 14), which was moved out of the “pilot program” phase during the program 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.
- The Tenant Based Section 8 Program made its preliminary application available online: http://housing.mt.gov/Hous_S8_Online_App.asp. Households can apply online for the Section 8 waiting list from any location that has internet access, including public libraries, public assistance offices, etc.

➤ *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 2008. 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, helped facilitate statewide coordination in delivery of housing services and created five workgroups to focus on issues that were repeatedly 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. The housing locator service, MTHousingSearch.com is now available.
 - 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 \$500,000 were awarded to one CHDO for the plan year.
- 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 and the Montana Continuum of Care Coalition’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 Policy Academies were a 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 technical assistance providers were 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 Governor’s Council on Homelessness. The formation of the MTCoH was followed by nearly two years of broad-based strategic planning, from which emerged a draft 10-year plan. The second incarnation of the MTCoH finalized and approved the plan in support of the MTCoH’s mission “To develop and implement strategies to prevent and reduce homelessness in Montana overall and to end chronic homelessness by 2014” and vision of “Ending chronic homelessness and reducing homelessness overall in the last, best place”.

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 received technical assistance in February 2005 with 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 program²⁹, 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*³⁰, 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.

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

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.

²⁹ 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.

³⁰ A complete copy of the *Homeless in Montana* report can be found at:

http://www.mtcch.org/index.php?option=com_frontpage&Itemid=49

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 2008, the CDBG-ED program's grant recipients projected the creation of 140 jobs, of which 85 jobs would be held by LMI (60.7% 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 13:1 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.*

Four of the seven businesses awarded CDBG-ED funding were made to manufacturing companies such as Glacier Stone, which manufactures stone veneer

- *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.*

Four of the seven businesses assisted sell their products outside of Montana. For example, Luck E-G that processes hog fuel from scrap wood to other businesses for value-added wood products.

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

The MDOC did not receive any applications for service oriented companies during this program year, however, four of the seven funded companies can and do provide products and services outside Montana.

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

With CDBG-ED planning grants, six local governments received financing to further economic development initiatives. For example, Lincoln County was awarded funding for conducting studies related to the development of an industrial park.

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 120) 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 2008, CDBG funds were leveraged by private and public funding 18:1. Over the past five years, CDBG funds have been leveraged by over \$13.00 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 \$20,000 in technical assistance funding to the Small Business Development Center 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 \$15.08 per hour in salary and benefits. Flathead Valley Community College received a grant to help with a new computerized welding program. This grant will assist with tuition for at least 35 students, of which at least 51% will be qualified LMI. Students that graduate from the program are referred to local job openings. Several area businesses have signed agreements to interview potential job applicants from the college upon certification completion.

- *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 \$20,000 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, of which four included high technology businesses and manufacturing operations, including value added agricultural product companies. For example, Western Building Center, with CDBG assistance, purchased computerized equipment for precision, customized truss manufacturing.

- *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 140 jobs of which at least 85 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 18:1 match for every dollar of CDBG-ED funds. Over the last five years, private and public funding has matched CDBG-ED funds over 13:1.

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 2008, the CDBG program:

- Awarded fifteen (15) 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. Seventeen applications were received for the 2008 competition; however,

15 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 2008, 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 2008, 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 (2008-2009) 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.

One of the biggest barriers to progress in plan year 2008 was primarily financial. The CDBG program continued to face deep funding cuts, causing significant cuts in projects funded. While ESG funding levels have been relatively stable over time, rising costs without a corresponding increase in funding have affected the program's 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, 2009), Montana's **HOME program** was ranked eighth overall of 51 statewide participating jurisdictions (PJs) ranked by HOME Performance Snapshots³¹. At the end of the program year, Montana's HOME program was ranked twelfth in the percent of funds committed (94.96% compared to the national average of 91.46%) and tenth in the percent of funds disbursed (90.59% versus the national average of 84.73%).

At the end of the program year, Montana's CDBG program was ranked 19th overall of 50 state programs in the percent of HUD CDBG funds spent.

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

CDBG funds (\$450,000) were awarded to the Town of Circle to rehabilitate owner-occupied substandard housing units. The project does not involve permanent relocation activities that would fall under the Uniform Relocation Act (URA).

³¹ <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/snapshot/2q07/mt/statepj.pdf>

The **ESG** program has not funded projects that involve the demolition of occupied real property. None of the program year 2008 ESG grant projects involve permanent relocation activities that would fall under the URA.

The **HOME** program did not fund any project in program year 2008 that involved permanent relocation activities under URA.

SECTION B - PROPOSED ACTIONS RESULTING FROM ASSESSMENT OF ANNUAL PERFORMANCE

One of the best ways to facilitate and encourage 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 revisions to the Single Family Allocation Pilot Program described earlier (page 14). Some difficulties were discovered and the HOME program evaluated the effectiveness of the SFAPP during program year 2008 and made necessary adjustments. The SFAPP, now known as the Single Family Noncompetitive program will be continued in plan year 2009. 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 and works through education, public awareness, broad-based collaboration between state, federal and local stakeholders, research, publications, identification of policy issues and implementation of solutions. Throughout 2007 and 2008, the MTCoH maintained an online survey designed to garner the public's perceptions of homelessness in their communities. The survey asks questions that parallel, as much as possible, the questions asked by the annual *Survey of the Homeless*.

The MTCoH also increases 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 through participation in resource development and training.

With routine implementation of the annual Survey of the Homeless, there has been a consistent increase in the number of persons who are homeless in Montana since 2004. The reasons for homelessness are not only complex at an individual level, but vary by subpopulation. Extreme poverty, a general lack of low-income housing, and lack of access to affordable housing are also common reasons for homelessness.

The issues that cause, rise from, and sustain homelessness cross many system boundaries, beginning with the most basic human needs. The MTCoH examines solutions that pull together as many sectors as possible, including (but not limited to) social services, the faith community, local municipalities, state and federal government agencies, corrections, community law enforcement, chemical dependency and mental health treatment, housing, economic development, career training and employment, policy, education, youth services and many others,

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.

The *Montana Housing Resource Directory*³² 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 experience to the state. The HOME program looks forward to continuing to work with its TA providers in the coming year.

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 \$20,000 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.

³² *Montana Housing Resource Directory*, Montana Department of Commerce, October 2008; http://housing.mt.gov/Hous_CP_HsgResDir.asp

II.B.2 REFINEMENT OF INSTITUTIONAL STRUCTURES

The MDOC completed the Annual Action Plan for the plan year ending March 31, 2009 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

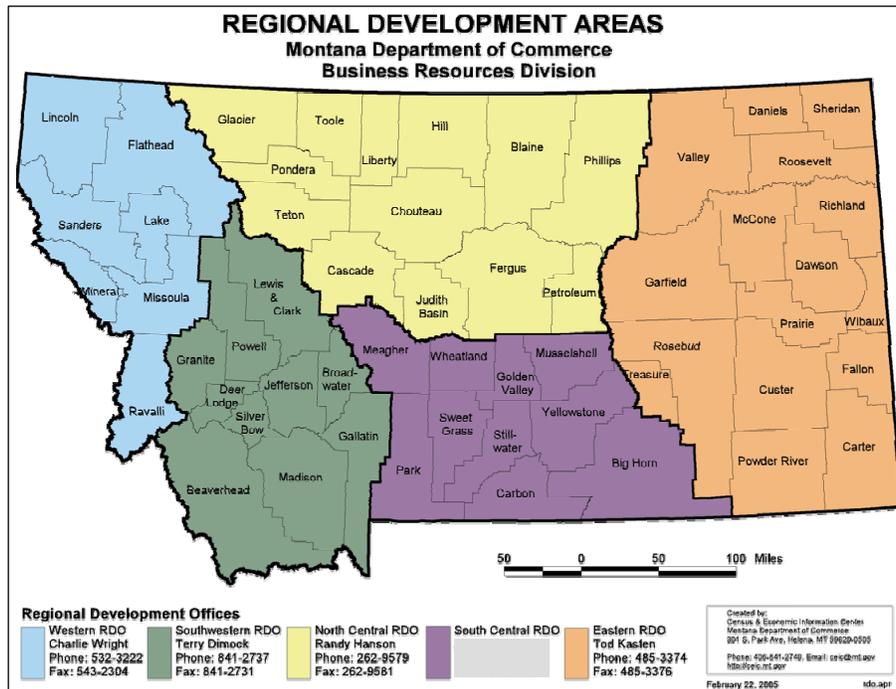
The MDOC, through the Housing Coordinating Team, continues to identify areas where further communication and cooperation is needed, and identify gaps in the institutional provision of services. HOME, CDBG, and MBOH workshops include a “how to” technical assistance component and participation in statewide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

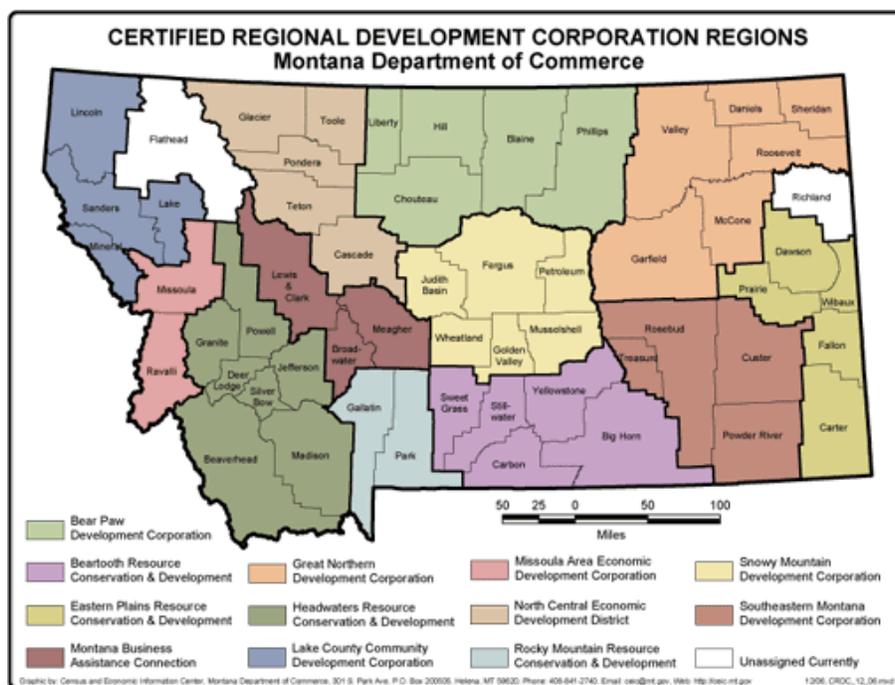
The Montana Council on Homelessness will focus high-level policy on homelessness in Montana. The MTCoh is an active member of the Housing Coordinating Team and continues to work in collaboration with MDOC housing officials to coordinate better access to mainstream housing and service resources to impact homelessness in Montana. The MTCoh is expected to facilitate the creation of new solutions across agencies and programs; one of its most important functions is to continue to advocate for persons who are homeless or at high risk of homelessness, because many among this group do not have the skills or the knowledge to self-advocate. Part of this charge includes identifying policies that have the unintended consequence of sustaining people in the condition of homelessness.

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. 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.

The U.S. Congress Joint Economic Committee³³ showed average home values, estimated total foreclosures and estimated loss of property value by state as of January 2009. As of January 2009, subprime foreclosures were expected to have the following impact on Montana:

- Estimated Outstanding Subprime Loans 10,490
- Average Home Value 2008-Q1..... \$211,543
- Estimated Subprime Foreclosures 2008-2009..... 936
- Estimated Loss of Property Value 2008-2009 \$47,992,795

The larger impact on foreclosures in Montana is coming from the effects of the economic downturn. For example, most of the borrowers seeking delinquency and

³³ U.S. Congress Joint Economic Committee Calculations of Mortgage Banker Association data; projections by the Center for Responsible Lending:
www.commonsensejunction.com/notes/subprime-mortgage-impact.html

foreclosure counseling in the Gallatin County area have reasonable rate, 30 year fixed mortgages. These borrowers are now in trouble because of cutbacks in their hours or loss of jobs entirely. They can no longer make the payments on their loans because they no longer have the income they did when they purchased the home. The increase in delinquencies and foreclosures has generated a huge increase in demand for foreclosure counseling. 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, and applied again and were awarded funds from Round Two of the Foreclosure funds passed by Congress in July of 2008.

The MTCOH sponsored a Survey of Homelessness Service Providers in 2008. One of the questions asked was, "Are some of the people you are serving homeless (or at risk of homelessness) because of foreclosure on the homes they were renting or purchasing?" Though only 34 providers responded to the survey, they reflected a wide geographical and wide service spectrum. Over one-third (35.3%) said that they were seeing people who were homeless (or at risk) because of foreclosure. About a third said they were not, and the final third did not know.

Property and land values in the most rapidly developing area of the state have seen some decline in house prices, particularly in Kalispell, Missoula and Bozeman. Meanwhile, in most areas of the state, land and home purchase price costs continue to hold firm, keeping 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.

To address this concern, 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.

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 using the limited funding (\$354,866 for the 2008/2009 biennium) to address issues related to pre-HUD code manufactured homes in Montana.

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

Recognizing that homelessness is a local problem that must be solved locally, the MTCoH has used state/city partnership as one of its primary strategies. The City of Billings was identified as the first MTCoH demonstration city, because it has the largest documented homeless population in the state and a wide range of services needed to address homelessness at a systems level. The MTCoH sponsored three citywide planning sessions that included 100–150 people who committed to spending four days working on creating solutions for their city. One of the first results was creation of a Mayor's Committee on Homelessness, formed in 2006 with members named by the Mayor. The Committee's focus is to partner with local organizations and community members in a pursuit to reduce the number of homeless persons in Billings, reduce the risk of homelessness and create the tools people in poverty need to build sustainable futures.

The MTCoH has been available to provide technical assistance and expertise to implement strategies that focus on addressing homelessness in Billings. The MDPHHS, which sponsors the MTCOH, provided several VISTAs who helped create sustainable efforts around addressing homelessness, including the very successful Billings Homeless Connect events. In addition, the MDPHHS dedicated seed funds to the project using Food Stamp Bonus funds, which were used to leverage additional funding

for use in a “Housing First” project. As a result, Billings has made significant strides. Go to <http://ci.billings.mt.us/index.aspx?NID=84> for more information on the Mayor's Committee on Homelessness.

The state/city partnership strategies used with Billings will be used as a model for helping other Montana cities begin addressing their local issues of homelessness. The MTCOH will begin working with its second Demonstration Community, the Helena Action Coalition on Homelessness (HATcH).

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.

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.

Seventeen eligible applications were submitted on April 18, 2008 for the FFY 2008 planning grants; 15 received CDBG grants to conduct planning activities and related studies. The applications recommended for funding were:

FFY 2008 CDBG PLANNING GRANT AWARDS		
Local Government	Project Description	Funding Amount
Big Timber	Update the 1996 Capital Improvements Plan	\$ 15,000
Browning	Growth Policy	\$ 15,000
Butte-Silver Bow County, on behalf of the District XII HRC	Preliminary Architectural Report for the Homeward Bound Facility	\$ 15,000
Cascade	Growth Policy	\$ 15,000
Daniels County	Completion of a Housing Plan	\$ 5,000
Flaxville	Capital Improvements Plan	\$ 15,000
Fort Benton	Capital Improvements Plan and Subdivision Regulations	\$ 15,000
Gallatin County, on behalf of the Friendship Club, Inc.	Preliminary Architectural Report for the Belgrade Senior Center	\$ 15,000
Garfield County	Completion of a Housing Plan	\$ 15,000
Granite County	Update Growth Policy	\$ 15,000

Local Government	Project Description	Funding Amount
Kevin	Growth Policy and Update Capital Improvements Plan	\$ 15,000
Nashua	Growth Policy, Update Capital Improvements Plan, Conduct a Needs Assessment and Income Survey	\$ 5,000
Prairie County	County-wide Needs Assessment Survey, Housing Plan, and Preliminary Architectural Report for the "Manor" (Senior Housing)/Town of Terry	\$ 15,000
Twin Bridges	Preliminary Architectural Report for the Twin Bridges Senior & Community Center	\$ 15,000
Valier	Growth Policy, in conjunction with Pondera County and Conrad	\$ 15,000
Total Awarded		\$ 205,000

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 2008, 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;
- 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 \$20,000 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
Butte-Silver Bow County	Prepare a feasibility study for a proposed Chafin-Fuhrlander wind turbine manufacturing facility. The study will help determine the current and future market demand for wind products, the regulatory climate, and timing for the market. Butte is one of several potential sites for a wind turbine manufacturing facility.	\$ 30,000
Roosevelt County	Complete a preliminary engineering report for road work in support of the construction of a natural gas fueled peaking unit near Culbertson, MT. Basin Electric plans to construct this operation at an approximate cost of \$100 million.	\$ 8,400
Small Business Development Center (SBDC)	Support for the SBDC for business consulting support and for the Montana Technology Innovation Partnership (MTIP) program to help pay for a portion of the trainer's development fees.	\$ 20,000
City of Helena	Prepare a preliminary architectural report for the site selection and preliminary design of either a new crisis stabilization facility or the renovation of an existing building for services provided by the Center for Mental Health.	\$ 15,000
Lincoln County	Complete a feasibility study for the Tobacco Valley Industrial District Business Park for potential development of the park, complete comprehensive needs assessment, one public meeting, and development of a data base with Geospatial GIS mapping.	\$ 11,000
Hill County	Complete a preliminary architectural report for identification of a preferred location for the H. Earl Clack Museum at the Hill County Fairgrounds.	\$ 15,000
City of Hamilton	Determine the feasibility of forming a tax increment finance district in the Old Corvallis Road area.	\$ 10,000
Total		\$ 109,400

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 2008 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, and 2008**

Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Expected Nmbr ^{34, 35}	Actual Nmbr ^{36, 37, 38}	Percent Completed
	Specific Annual Objectives					
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	n.a.	0	
			▪ Number of units acquired and newly constructed			
			2007			
2008	6	0				
			▪ Number of units acquired and newly constructed			

³⁴ HOME and CDBG grant funds are primarily distributed through competitive and/or first-come, first-serve processes, and the state cannot accurately predict the number 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.

³⁵ 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.

³⁶ Sources: IDIS Report CO4PR83, **CDBG** Performance Measures Report for Program Years 2006, 2007; 2008 and IDIS Report CO4PR81, **ESG** Performance Measures Report for Program Years 2006, 2007, 2008

³⁷ 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.

³⁸ Source: IDIS Report CO4PR23, Program Year 2006, 2007, 2008 Summary of Accomplishments. Note: No report similar to the CO4PR83 or CO4PR81 (CDBG and 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 ^{34, 35}	Actual Nmbr ^{36, 37, 38}	Percent Completed
	Specific Annual Objectives					
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% min. required	2006			
			▪ Number of households provided with rental assistance	n.a.	46	
			▪ # designated for the homeless			
			▪ # for the chronically homeless			
			2007			
			▪ Number of households provided with rental assistance	55	46	
			▪ # designated for the homeless			
			▪ # for the chronically homeless			
			2008			
▪ Number of households provided with rental assistance	44	46				
▪ # 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 Local Match: 5% min. required	2006			
			▪ Number of rental units assisted	n.a.	164	
			▪ # 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			
			2007			
			▪ Number of rental units assisted	135	136	
			▪ # 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						
2008						
▪ Number of rental units assisted	108	57				
▪ # 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						

PART II-SECTION C: PERFORMANCE MEASUREMENT

Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Expected Nbr ^{34, 35}	Actual Nbr ^{36, 37, 38}	Percent Completed	
	Specific Annual Objectives						
			<ul style="list-style-type: none"> ▪ # for the chronically homeless 				
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				
			<ul style="list-style-type: none"> ▪ Number of households receiving homebuyer assistance 	n.a.	0		
			2007				
			<ul style="list-style-type: none"> ▪ Number of households receiving homebuyer assistance 	0	12		
			Of total:				
			<ul style="list-style-type: none"> ▪ # of first-time homebuyers 		12		
Of those:							
<ul style="list-style-type: none"> ▪ # receiving housing counseling 		12					
<ul style="list-style-type: none"> ▪ # receiving down payment/closing costs assistance 		12					
			2008				
			<ul style="list-style-type: none"> ▪ Number of households receiving homebuyer assistance 	0	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	2006				
			<ul style="list-style-type: none"> ▪ 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 	n.a.	0		
			2007				
			<ul style="list-style-type: none"> ▪ 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 	5,060	0		
			2008				
			<ul style="list-style-type: none"> ▪ 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 	5,000	5,416		

PART II-SECTION C: PERFORMANCE MEASUREMENT

Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Expected Nmbr ^{34, 35}	Actual Nmbr ^{36, 37, 38}	Percent Completed
	Specific Annual Objectives					
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			
			▪ Number of LMI households assisted	n.a.	59	
			Of total:		59	
			▪ # occupied by the elderly			
			▪ # brought from substandard to standard		59	
			▪ # brought into lead safety compliance		59	
			▪ # made accessible		59	
			2007	48	87	
			▪ Number of LMI households assisted		87	
			Of total:			
▪ # owner-occupied						
Of those:						
▪ # occupied by the elderly		15				
▪ # brought from substandard to standard		39				
▪ # brought into lead safety compliance		3				
2008	39	0				
▪ Number of LMI households assisted						
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			
			▪ Number of persons with new or improved access to the public facility or receiving a service provided by the public facility that is no longer substandard	n.a.	0	
			▪ Number of Households with new or improved access to the public facility or receiving a service provided by the public facility that is no longer substandard	n.a.	0	
			2007	2,813	690	
			▪ Number of persons with new or improved access to the public facility or receiving a service provided by the public facility that is no longer substandard			
			▪ # with improved access to a facility		421	
			▪ # with access to a facility that is no longer substandard		269	
2008	1,430	0				
▪ Number of persons with new or improved access to the public facility or receiving a service provided by the public facility that is no longer substandard						

PART II-SECTION C: PERFORMANCE MEASUREMENT

Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Expected Nmbr ^{34, 35}	Actual Nmbr ^{36, 37, 38}	Percent Completed
	Specific Annual Objectives					
			<ul style="list-style-type: none"> # with improved access to a facility # with access to a facility that is no longer substandard 			
SL-1.2	Enhance suitable living environment through availability and accessibility of essential services for the homeless	ESG	2006 <ul style="list-style-type: none"> Number of individuals assisted with essential services such as shelter, food and individual support services 	n.a.	0	
			2007 <ul style="list-style-type: none"> Number of individuals assisted with essential services such as shelter, food and individual support services 	693	0	
			2008 <ul style="list-style-type: none"> Number of individuals assisted with essential services such as shelter, food and individual support services 	690	825	
SL-1.3	Enhance availability / accessibility of decent housing with new construction & rehabilitation of non-rental shelters ³⁹ to LMI households	CDBG	2006 <ul style="list-style-type: none"> Number of units constructed and rehabilitated 	n.a.	0	
			2007 <ul style="list-style-type: none"> Number of units constructed and rehabilitated 	0	0	
			2008 <ul style="list-style-type: none"> Number of units constructed and rehabilitated 	3	0	
SL-2	Affordability of Suitable Living Environment					
SL-2.1	Improve the affordability of suitable living environment through rehabilitation of existing or new construction of public facilities ⁴⁰ by targeting direct benefits to serve a specific LMI clientele.	CDBG	2006 <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 # with access to a facility that is no longer substandard 	n.a.	45	
			2007 <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 # with access to a facility that is no longer substandard 	447	627	
			2008 <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 	127	0	
					627	

³⁹ Youth group homes, domestic violence facilities, mental health facilities, homeless shelters, etc.

⁴⁰ Water and wastewater projects, nursing homes, Head Start centers, senior centers, county hospitals, etc.

PART II-SECTION C: PERFORMANCE MEASUREMENT

Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Expected Nmbr ^{34, 35}	Actual Nmbr ^{36, 37, 38}	Percent Completed
	Specific Annual Objectives					
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 ⁴¹ to benefit a geographic area with an LMI percentage of 51% or higher.	CDBG	2006			
			▪ Number of persons or households with improved access to the public facility or receiving a service provided by the public facility that is no longer substandard	n.a.	2,563	
			▪ # of persons with access that is no longer substandard		2,563	
			2007			
			▪ Number of persons with improved access to the public facility or receiving a service provided by the public facility that is no longer substandard	563	4,869	
			▪ # of persons with improved access		579	
			▪ # of persons with access that is no longer substandard		4,290	
			▪ Number of households with improved access to the public facility or receiving a service provided by the public facility that is no longer substandard	0	248	
▪ # of households with access that is no longer substandard		248				
2008						
▪ Number of persons with improved access to the public facility or receiving a service provided by the public facility that is no longer substandard	722	0				
▪ Number of households with improved access to the public facility or receiving a service provided by the public facility that is no longer substandard	0	0				

⁴¹ Water and wastewater projects

PART II-SECTION C: PERFORMANCE MEASUREMENT

Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Expected Nmbr ^{34, 35}	Actual Nmbr ^{36, 37, 38}	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 						
			2008	23	24				
<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 businesses assisted with loans/grants ▪ Number of new businesses assisted ▪ Number of existing businesses assisted ▪ Number of jobs created ▪ Number of jobs retained 						
			2007				4		
			<ul style="list-style-type: none"> ▪ Number of businesses assisted with loans/grants ▪ Number of new businesses assisted ▪ Number of existing businesses assisted ▪ Number of jobs created ▪ Number of jobs retained 						
			2008						
			<ul style="list-style-type: none"> ▪ Number of businesses assisted with loans/grants ▪ Number of new businesses assisted ▪ Number of existing businesses assisted ▪ Number of jobs created ▪ Number of jobs retained 						
			<ul style="list-style-type: none"> ▪ Number of new businesses assisted ▪ Number of existing businesses assisted ▪ Number of jobs created ▪ Number of jobs retained 						
			<ul style="list-style-type: none"> ▪ 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 ^{34, 35}	Actual Nmbr ^{36, 37, 38}	Percent Completed
	Specific Annual Objectives					
EO-2	Affordability of Economic Opportunity					
EO-2.1	Provide economic opportunity through improved or new affordability	CDBG	2006			
			▪ Number of businesses assisted with loans/grants	n.a.	3	
			▪ Number of new businesses assisted			
			▪ Number of existing businesses assisted		3	
			▪ Number of jobs created		838	
			▪ Number of jobs retained		0	
			2007			
			▪ Number of businesses assisted with loans/grants	4	5	
			▪ Number of new businesses assisted		2	
			▪ Number of existing businesses assisted		3	
			▪ Number of jobs created		484	
			▪ Number of jobs retained		0	
			2008			
			▪ Number of businesses assisted with loans/grants	4	2	
▪ Number of new businesses assisted						
▪ Number of existing businesses assisted		2				
▪ Number of jobs created		139				
▪ Number of jobs retained						

PART II-SECTION C: PERFORMANCE MEASUREMENT

Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Expected Nmbr ^{34, 35}	Actual Nmbr ^{36, 37, 38}	Percent Completed
	Specific Annual Objectives					
EO-3	Sustainability of Economic Opportunity					
EO-3.1	Provide economic opportunity through improved or new sustainability	CDBG	2006			
			▪ Number of businesses assisted with loans/grants	n.a.	2	
			▪ Number of new businesses assisted		0	
			▪ Number of existing businesses assisted		2	
			▪ Number of jobs created		91	
			▪ Number of jobs retained		11	
			▪ Number of persons assisted with a new (or continuing) access to a (public) service	n.a.	60	
			2007			
			▪ Number of businesses assisted with loans/grants	4	8	
			▪ Number of new businesses assisted		2	
			▪ Number of existing businesses assisted		6	
			▪ Number of jobs created		74	
			▪ Number of jobs retained		90	
			▪ Number of persons assisted with new access to a facility	n.a.	93	
			▪ Number of persons assisted with a new (or continuing) access to a (public) service	n.a.	3	
			2008			
▪ Number of businesses assisted with loans/grants	4	2				
▪ Number of new businesses assisted						
▪ Number of existing businesses assisted		2				
▪ Number of jobs created		88				
▪ Number of jobs retained		79				
▪ Number of persons assisted with access to new facility	n.a.	106				
CR-1	Community Revitalization					
	Not applicable					
O-1	Other					
	Not applicable					

APPENDIX A

PUBLIC REVIEW PROCESS

MONTANA'S HOUSING AND COMMUNITY DEVELOPMENT CITIZEN PARTICIPATION PLAN

April 1, 2008 - March 31, 2009





APPENDIX A
MONTANA'S HOUSING AND COMMUNITY DEVELOPMENT
CITIZEN PARTICIPATION PLAN
(For the Plan Year April 1, 2008 - March 31, 2009)

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 used 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, in the morning before the start of the normal workday, or at others times determined appropriate by the MDOC. 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, Community

Development, or Business Resources Divisions 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 2008 through March 2009. Notices will be sent to interested citizens, especially low- and moderate-income citizens; local government officials; statewide and regional institutions and other organizations, including businesses, developers, and community and faith-based organizations; and public and private agencies that provide assisted housing, health services, and social services 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/html/event?eventCollectionCode=comm>;
- 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, 2009 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, 2009 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. 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.

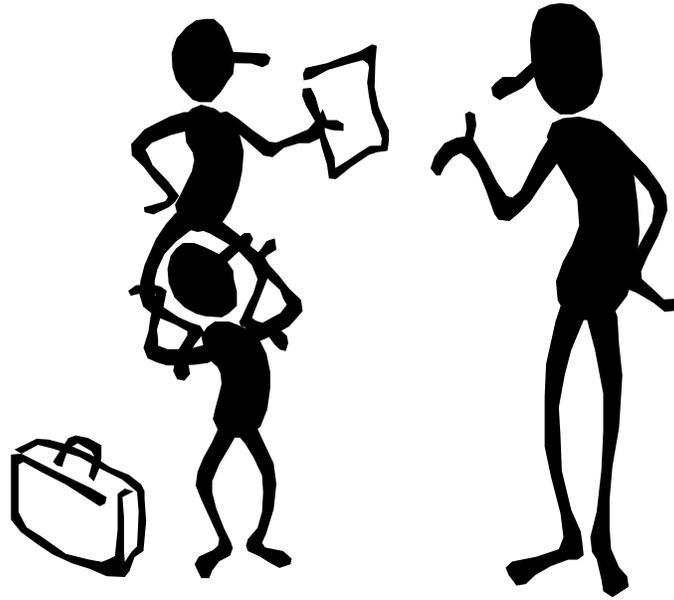
AMENDING THE CONSOLIDATED PLAN

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



APPENDIX B - SUMMARY OF PUBLIC COMMENTS

CITIZEN INVOLVEMENT

A statewide flyer was mailed to the Consolidated Plan mailing list announcing the availability of the draft 2008 Annual Performance Report and the scheduling for the 2010-2015 Consolidated Plan and the 2010/2011 Annual Action Plan:


MONTANA
Department of Commerce

PUBLIC INPUT MEETINGS ON COMMUNITY DEVELOPMENT AND HOUSING NEEDS

Does your community have economic development, public facility and infrastructure, affordable housing, and other community development needs? This is your chance to provide input on your community's needs and on Montana's draft Consolidated Plan (CP) Annual Action Plan for 2010–2011 and the state's Five-year Consolidated Plan (strategic plan) for 2010–2015. Interested persons are encouraged to provide input by:

- 1) Attending the onsite public meeting in Great Falls; Wednesday, May 20; 12:00-1:00 pm; Holiday Inn Great Falls; 400 10th Ave. S.; free light lunch provided.**
- 2) Participating in one of the two Webinar (web-based) meetings from your computer:
 - Wed., June 10 from 10:00-11:30 a.m.; or
 - Wed., June 17 from 1:30-3:00 p.m.Pre-register by going to housing.mt.gov, then clicking on the Conferences and Training link on the right side of the screen.

Developed with input from 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, the Five-Year Plan describes the affordable housing, infrastructure, economic development, and other community development needs of Montana's low- and moderate-income families. It also sets out a statewide strategy to meet the needs by identifying anticipated available resources and establishing a method of allocation for the resources.

The Annual Action Plan involves a more detailed planning and application process that allows the state to access approximately \$11 - \$12 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.

Written input for the draft plans is welcome through 8/31/2009. Send input to: Leslie Edgoomb, CP Coordinator, at the address listed on the back page.

The Department of Commerce will also be seeking comments on the Consolidated Plan DRAFT Annual Performance Report for April 1, 2008 through March 31, 2009. This document will be open for public comment May 28 through June 12, 2009. Send your written comments on the draft report to: Leslie Edgoomb, 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 28. To request a hard copy of the DRAFT Annual Performance Report, please contact the Department of Commerce at the numbers listed on the back page after May 28.

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

**Note: This meeting is being held during the lunch break for the Low Income Housing Tax Credit Program's 2010 QAP Meeting. For more information about the QAP meeting, contact the LIHTC Program at 406-841-2840.



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



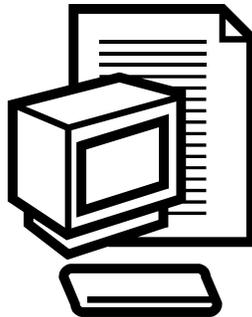
CITIZEN AND AGENCY COMMENTS

No comments were received concerning the draft Annual Performance Report for April 1, 2008 through March 31, 2009 during the comment period, which ended on June 12, 2009.

Part III

MONTANA STATE SUMMARY OF CONSOLIDATED PLAN PROJECTS FOR REPORT YEAR 2008

IDIS – CO4PR06
(Available Upon Request)



April 1, 2008 to March 31, 2009

Final Report to HUD

Part IV

HOME ANNUAL PERFORMANCE REPORT

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

IDIS-CO4PR22 *(Available Upon Request)*

IDIS-CO4PR25 *(Available Upon Request)*

IDIS-CO4PR27 *(Available Upon Request)*

IDIS-COPR33 *(Available Upon Request)*

April 1, 2008 to March 31, 2009

Final Report to HUD



Part V

CDBG ANNUAL PERFORMANCE REPORTS

FFY 2000 – 2008 P.E.R. *(Available Upon Request)*

Section 3 Summary Report – HUD Form 60002 *(Available Upon Request)*

IDIS – CO4PR26 *(Available Upon Request)*

Program Year 2008



April 1, 2008 to March 31, 2009

Final Report to HUD

Part VI

ESG ANNUAL PERFORMANCE REPORT



April 1, 2009 to March 31, 2009

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	\$11,261	\$4,000	\$15,467		\$19,194	\$5,110	\$10,051	\$16,928	\$3,500	
Shelter Maintenance	\$16,332	\$9,403	\$20,730		\$25,592	\$20,500	\$13,400	\$22,650	\$38,576	\$29,523
Homeless Prevention	\$10,671	0	\$15,547	\$10,583	\$19,194		\$10,051	\$16,930	\$15,000	
	\$38,264	\$13,403	\$51,824	\$10,583	\$63,980	\$25,610	\$33,502	\$56,508	\$57,076	\$29,523

Source: ESG program

The Emergency Shelter Grant Financial Status Report information for the period 05/01/2008 – 04/30/2009 is available through the IDIS tracking system.