FINAL

Governor
Steve Bullock

State of Montana 2012 Consolidated Annual Performance and Evaluation Report

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MONTANA
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 Program

The Community Development Block Grant (CDBG) 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 persons of low and moderate income. 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, 2013, the state received $5,497,803 in Federal Fiscal Year 2012 CDBG funds.

The Community Development Division is responsible for the award and administration of CDBG funds related to Public Facilities, Housing, and Neighborhood Renewal. Within the Public Facilities category, CDBG funds are most often used in combination with other federal, state, or local funds to make basic community infrastructure improvements such as drinking water and wastewater facilities affordable to persons of low and moderate income. Public facility projects can also include community facilities designed for use predominantly by persons of low and moderate income, such as county hospitals or nursing homes, senior and community centers, Head Start centers, mental health facilities or community food pantries. The CDBG Housing and Neighborhood Renewal category is intended to assist communities in a wide range of housing activities with the goal of providing decent, safe and sanitary housing at an affordable price and to combat blighting influences in the community. All CDBG housing projects must be designed to principally benefit persons of low and moderate income. The Division also awards and administers planning grants that can be used for a variety of activities, including preparing or updating a growth policy, subdivision regulations or zoning ordinances, preparing a neighborhood renewal plan, a

[1] *Montana Housing Resource Directory*, Montana Department of Commerce, September 2011 available online at **http://housing.mt.gov/content/FAR/docs/HousingResourceDirectory.pdf**

housing study, a capital improvements plan, a preliminary engineering or architectural report, or similar planning processes designed to help a community address critical needs.

The CDBG Economic Development (CDBG-ED) program functions within the CDBG-ED Section of the Business Resources Division. The CDBG-ED Section also operates a revolving loan fund that was initially funded in 1990 with an $840,000 grant from the federal Economic Development Administration (EDA). The EDA grant plus $340,000 of matching CDBG-ED funds initially targeted a project under the EDA Sudden and Severe Economic Deterioration Area program. All payments from the EDA Revolving Loan Fund are received and deposited by Commerce for further relending activities. Local governments manage the EDA loans and yet do not retain loan payments. Once a balance of $100,000 is available, funds are available for loans.

Neighborhood Stabilization Program (NSP)

The Community Development Division is responsible for the award and administration of the NSP1 and NSP3 funding awarded to the state on July 30, 2008 and July 28, 2010, respectively. Commerce implemented each NSP program in accordance with the appropriate Federal Register Notices and subsequent substantial amendments to the states' Consolidated Plan. Additional information on NSP grantees is contained in Section B of this report.

NSP1

The $19.6 million award of Neighborhood Stabilization Program (NSP1) funds has been used to provide one-time assistance to eight local governments to acquire and redevelop foreclosed or abandoned properties in order to rehabilitate, resell, or redevelop these properties and stabilize the neighborhoods.

Currently, all eight Montana NSP1 grantees are working to sell or rent all assisted units. The full NSP1 appropriation has been fully expended. The Disaster Recovery Grant Reporting system (DRGR) documents that just over $21 million of direct and program income NSP1 funding has been expended on activities. Additional expenditures will occur during the next plan year as program income funds continue to assist additional units.

NSP3

The $5 million award of Neighborhood Stabilization Program (NSP3) funds has been used to provide one-time assistance to three local governments to acquire and redevelop foreclosed, abandoned, or vacant properties in order to rehabilitate, resell, or redevelop these properties and stabilize the neighborhoods.

Currently, NSP3 grantees are continuing to work on meeting the grant requirements and goals. Two of three grantees met the required 50% expenditure deadline, which was March 16, 2013. The third grantee is working to meet this expenditure deadline as quickly

as possible. The division has discussed the deadlines with all grantees to ensure that the 100% expenditure deadline of March 16, 2014 is met.

CDBG-Disaster Recovery (CDBG-DR) Program

The CDBG Disaster Recovery Program was awarded $666,000 in CDBG-DR funds in FFY 2009 to be administered at the state level to remediate the consequences of a disastrous storm. The Community Development Division administered the CDBG-DR funds and full amount of the Disaster Recovery Program funds have been expended and the ARRA project for Montana was closed out by HUD on April 5, 2013.

CDBG-Recovery (CDBG-R) Program

In May 2009, HUD allocated $1 billion in funding to states and local governments through the American Recovery and Reinvestment Act of 2009 (ARRA). The purpose of the funding was to stimulate the economy through measures that modernize the nation's infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. HUD urged grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings.

On July 27, 2009, HUD approved the State of Montana's Substantial Amendment to the Consolidated Plan 2008 Action Plan for CDBG Recovery. The state was awarded $1.8 million, of which, $1.5 million was allocated to the Montana Distressed Wood Products Industry Recovery and Stabilization (WPIRS) program, administered by the Business Resources Division.

The WPIRS Program was comprised of three (3) separately funded grant and loan programs, one of which was funded with CDBG-R funds (CDBG WPIRS). Funding under the CDBG WPIRS program enabled five wood product related businesses to stay open by financing loans for working capital and other business related purposes.

Cumulatively, the WPIRS programs were able to assist 20 companies retain 736 employees, and add an additional 115. These companies were able to increase wages paid by 14% over what they were originally paying their employees. The increase in output of products, goods, and services increased by 22%. An additional positive impact from WPIRS financing is that business relationships formed and companies worked with each other to help sustain the state's industry as a whole, for example, Sun Mountain Lumber located in Deer Lodge started contracting with Hanson Trucking for services. Both businesses received assistance from the WPIRS programs.

The balance of the funds ($304,015) was allocated to the Community Development Division, which awarded funds to Judith Basin County to construct an essential services facility within the unincorporated community of Geyser. The majority of construction of the Essential Services Facility at Geyser occurred during the construction season of 2010. The

remaining components were completed during the spring and summer of 2011. The ARRA project for Montana was closed out by HUD on April 5, 2013.

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 Commerce 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, 2011 totaled $4,148,228. HOME grantees expended $797,949.52 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 (IRC) 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 approximately $2,500,000 per year, including a cost of living increase for Montana. The Montana Board of Housing (MBOH), administratively attached to Commerce, 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 Commerce 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 18 months with approximately 10,188 applicants. The Housing Choice Vouchers is the main program in TBS8, with a HUD baseline of 3,851 units and an annual budget of approximately $16.7 million, adjusted in July 2011 to include VASH.

The Moderate Rehabilitation (Mod Rehab) program is a project-based program with 331 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 2012 is $1.847 million.

During the plan year beginning April 1, 2011, the Montana Project Based Section 8 (PBS8) program performed as a HUD contractor providing management and oversight activities for 95 contracts involving 3,603 affordable rental units. 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 (VASH) Voucher Program

The 2008 Consolidated Appropriations Act (Public Law 110-161) enacted December 26, 2007, provided $75 million dollars of funding for the HUD-Veterans Affairs Supportive Housing voucher program as authorized under Section 8(o)(19) of the United Stated Housing Act of 1937. The HUD–VASH program combines HUD housing choice voucher 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 originally awarded 35 vouchers to assist homeless veterans and their families in partnership with Veterans Affairs, Homeless Veteran Program, located at Fort Harrison. Currently, all voucher holders are housed or are in the process of being housed in Missoula, Helena and surrounding areas. The ultimate goal would be to house homeless veterans statewide.

Commerce submitted another proposal in partnership with the VA and Rocky Mountain Development Council for 25 additional VASH vouchers, which will be project-based in Helena.

Montana Department of Public Health and Human Services (MDPHHS)

Emergency Solutions Grant (ESG) Program

The Intergovernmental Human Services Bureau (IHSB) of the Montana Department of Public Health and Human Services administers the HUD-funded Emergency Solutions Grant program. The program received $720,940 for plan year ended March 31, 2013.

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 ESG program was

substantially changed in 2012 when the program changed from Emergency Shelter Grant to Emergency Solutions Grant, and funding was now available for Rapid Re-Housing and other activities previously provided under the Homeless Prevention Rapid Re-Housing program, which ended in 2012.

The IHSB distributes the funds to the states ten Human Resource Development Councils (HRDCs), which together cover virtually all of Montana (see map on page 50). 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.

Public Health and Human Services 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 Public Health and Human Services and four private agencies: the Sioux Falls Housing and Redevelopment Commission in South Dakota, Region VII Community Action Program in North Dakota, and Open Aid Alliance and Yellowstone AIDS Project in Montana (see map on page 54). 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.

Homeless Prevention Rapid Re-Housing Program (HPRP)

HPRP was designed to provide financial assistance and services to prevent individuals and families from becoming homeless and help those who are experiencing homelessness to be quickly re-housed and stabilized. The funds target individuals and families who would be homeless but for this assistance. The funds provided a variety of assistance, including short-term or medium-term rental assistance and housing relocation and stabilization services including such activities as mediation, credit counseling, security or utility deposits, utility payments, moving cost assistance, and case management.

Homelessness Prevention and Rapid Re-Housing Program was approved by HUD on July 16, 2009. MDPHHS allocated the funds totaling $3.7 million to the state's HRDCs based upon a formula mandated by the Administrative Rules of Montana, which is a ratio of each HRDC's share of the state's poverty and general population.

The HPRP program was a three-year program. It ended May 31, 2012 in Montana and all funds were expended. Montana received approval of the Substantial Amendment for the Emergency Solutions Program, which allows for the same type of services to be continued.

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

U.S. Department of Energy funds available for weatherization assistance totaled $2,654,881 for the year ending in June 2013. 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 reported were $5,174,591. Public Health and Human Services 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, the program weatherized an estimated 1,585 homes in Montana, for a total energy savings of more than 57,872 BTUs.

I.A.2 FEDERAL SOURCE - LOCAL ADMINISTRATION

Montana Continuum of Care Coalition (MT CoCC) for the Homeless

The following programs are available to local groups on a competitive basis through the McKinney-Vento Act and the federal HUD Continuum of Care program. Permanent Supportive Housing

This component provides long-term housing with supportive services for homeless persons with disabilities. This type of supportive housing enables special needs populations to live as independently as possible in a permanent setting. Montana currently receives about $1.53 million in PSH grant funding which provides 287 beds for homeless individuals or families with serious disabilities. An additional 337 similar beds are being provided through the Veterans Administration VASH vouchers.

Transitional Housing

The transitional housing component facilitates the movement of homeless individuals and families to permanent housing. Homeless persons may live in transitional housing for up to 24 months and receive supportive services such as childcare, job training, and home furnishings that help them live more independently. Montana currently receives about $1.18 million in CoC grants providing about 255 Transitional Housing beds along with accompanying supportive services.

Eligible applicants for both program components include States, local governments, other government agencies (such as public housing agencies), private nonprofit organizations, and community mental health associations that are public nonprofit organizations.

U.S. Department of Agriculture Rural Development Program (USDA RD)

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. USDA RD funds Multi-Family Housing Direct Loans and Guarantees, Rural Rental Assistance, Mutual Self-Help Grants, and Housing Preservation Grants.

Additionally, USDA RD program funds infrastructure and community facility projects in communities that are less than 30,000 in population. USDA RD is a typical loan leverage source for infrastructure projects in several communities.

I.A.3 STATE SOURCE - STATE ADMINISTRATION

Montana Department of Natural Resources and Conservation (MDNRC)

Renewable Resource Grant and Loan Program (RRGL)

The Montana Department of Natural Resources and Conservation administers the RRGL 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 Department of Commerce (MDOC)

Montana Board of Investments (MBOI)

INTERCAP Revolving Loan Program

The INTERCAP Revolving Loan program, offered by the Board of Investments, provides loans to Montana state agencies, universities, and local governments (eligible borrowers) for a wide variety of purposes. Eligible borrowers may use the program to provide short and long term loans and bridge financing. During the fiscal year ended June 30, 2011, INTERCAP made over $31 million in firm commitments to fund these loans. Loans from program inception in 1987 to fiscal year ending June 30, 2011 total $342.8 million. To date, $13.2 million of INTERCAP loans financed heating, lighting, and cooling projects meant to reduce energy costs.

Community Development Division (CDD)

Treasure State Endowment Program (TSEP)

The Treasure State Endowment Program is a state funded grant program administered by CDD within Commerce. The program was created to assist local governments with financing infrastructure projects 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 TSEP.

Construction grants for infrastructure activities have a ceiling of $750,000. A dollar for dollar match is required, but other loans or grants can be used for match. Funding for construction projects is awarded through the legislative process, with applications due in May of the year proceeding the legislative session.

The program has typically been appropriated funds for infrastructure planning grants and to provide grants for emergency projects that cannot wait for legislative approval. These grants are noncompetitive and are awarded by Commerce on a first-come first-served basis.

Quality Schools Grant Program

The Quality Schools Facility Grant Program, created in 2009, is administered by CDD and provides a competitive grant program for (1) school facility project grants; (2) matching planning grants; and (3) emergency grants for public school districts in the State of Montana (elementary and high school districts as defined in Section 20-6-101, MCA, or a K-12 school district as defined in Section 20-6-701, MCA). The project grants are awarded through the legislative process, with planning funds and emergency funds typically being appropriated through the legislative process and then awarded during the biennium. The Quality Schools Facility Grant Program also provides technical assistance for all grantees and staff work to complete the project in a very timely manner.

Coal Board

The Coal Board is a seven-member board, appointed by the Governor, administratively attached to Commerce and administered by CDD. Coal Board funding is awarded to local governments, school districts, state agencies, and tribal governments with the impacts that are a direct consequence of coal development or as a result of major decline in coal-related activities.

Eligible activities can be used to assist eligible entities with planning or project activities that are needed in coal impacted communities. Coal Board funding is typically used as leverage for other state or federal grant programs. Applications are submitted to CDD and are reviewed at quarterly public meetings held by the Coal Board.

Business Resources Division (BRD)

Indian Country Economic Development

Indian Country Economic Development (ICED) funds from the Business Resources Division has been available to tribal governments since October 2005 when 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. In the 62nd Legislature, funding for the ICED program was approved of as part of House Bill (HB) 2 as a One-Time-Only (OTO) program. A total of $1,596,922 was appropriated for fiscal years 2012 and 2013. The ICED Program splits funding among three main activities: tribal government projects, tribal member business start-up or expansion, and entrepreneurial training for tribal populations.

Of these funds, a total of $560,000 per fiscal year will be made available for equal distribution to the governing body of each tribal government in Montana and to the

governing body of the Little Shell Tribe for economic development projects. The application period is from July 1 to March 31 of each fiscal year. The project must 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.

A sum of $126,000 was available to enrolled individual tribal member's businesses for business expansion or start-up within the tribal communities. A 1:1 match is required. The intent was that awards be made to two tribal member businesses per tribal nation (including the Little Shell Tribe of Chippewa Indians) and one at-large award. Awards of $7,000 each are made to 18 applicants.

A total of $24,000 is made available for trainings in each of the eight tribal communities including the Little Shell Tribe of Chippewa Indians for entrepreneurial business training, Indianpreneurship, A Native Journey Into Business©.

Primary Sector Workforce Training Grant

The 59th Montana Legislature transferred the administration of the Primary Sector Workforce Training Grant (WTG) program, established during the 2003 legislative session, from the Governor's Office of Economic Opportunity to the Business Resources Division. The 2011 State Legislature made a total of $1 million available annually for the WTG program for State FY 2012 and 2013.

The WTG program is targeted toward primary sector businesses that create at least one net new job that pays at least the average wage that meets or exceeds the lesser of 170% of Montana's current minimum wage or the current average weekly wage of the county. Wages can include benefits. Employees must work a minimum of 25 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 new jobs and provide the opportunity to train 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.

The WTG program can fund up to $5,000 in eligible training expenses for new full-time jobs and up to $2,500 for new part-time jobs with a match of $1 for $3 of state funds.

Big Sky Trust Fund

The Big Sky Economic Development Trust Fund (BSTF) Program, administered by the Business Resources Division, was created by the 2005 Montana Legislature to aide in the development of good-paying jobs for Montana residents and to promote long-term, stable economic growth in Montana. Interest earnings from the BSTF are available for financial

assistance to local governments and economic development organizations through application to the MDOC. Seventy-five percent of BSTF earnings are awarded to local and tribal governments in the form of grants to assist businesses in creating new qualifying jobs for Montana residents. Twenty-five percent of BSTF earnings are awarded to Certified Regional Development Corporations (CRDCs), tribal governments, and other eligible economic development organizations in the form of grants for economic development planning.

Montana Distressed Wood Products Industry Recovery and Stabilization Program

The Montana Distressed Wood Products Industry Recovery and Stabilization (WPIRS) Program is a federally and state-funded, statewide loan program designed to help businesses in the wood products industry retain or create jobs. The program was established in 2009 to respond to the sudden and severe economic downturn of the national economy, and the lowered demand for wood products. The WPIRS program targets areas of the state where timber jobs are most threatened, particularly in counties with lumber mills and similar facilities.

The Business Resources Division administers the WPIRS program, which is comprised of three funding sources:

1. U.S. Department of Commerce, Economic Development Administration (EDA WPIRS)
2. State of Montana General Fund (State WPIRS)
3. HUD Community Development Block Grant Recovery Program, ARRA 2009 (CDBG-WPIRS)

EDA WPIRS funding may be loaned to individuals, including private contractors related to the wood products industry, and wood product businesses. Loans may be used for assistance to businesses primarily provide to working capital, equipment loans, and other activities that do not include contracted labor and construction. Businesses must provide at least two non-WPIRS dollars for each dollar of EDA WPIRS funds requested (a 2:1 leveraged ratio). EDA WPIRS recipients must comply with a variety of EDA and ARRA 2009 requirements.

State WPIRS funding may be loaned to individuals, including private contractors related to the wood products industry; or businesses defined as small businesses pursuant to the regulations promulgated by the U.S. Small Business Administration pursuant to 13 CFR 121, *et seq*. Loans must be made to individuals or small businesses that are part of the critical, primary wood processing infrastructure and have suffered economic hardships.

Loans may be used for working capital, purchase or lease of land or equipment, updating infrastructure, debt service, etc. Businesses must provide at least one non-WPIRS dollar for each dollar of State WPIRS funds requested (a 1:1 leveraged ratio). State WPIRS recipients must comply with a variety of Montana Reinvestment Act (HB 645) requirements.

CDBG WPIRS was used for assistance to distressed wood product and timber related businesses that suffered economic downturn during the Great Recession. All applicable CDBG program requirements applied to the use of CDBG WPIRS funds.

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 MBOH provides permanent financing or equity financing.

Homeownership Programs

- *Homeownership Mortgage Revenue Bond (MRB) Program*: The Homeownership MRB program began in 1977. Its purpose is to assist low- and moderate-income Montanans to purchase homes in the state. 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 for use by first-time homebuyers; however, in certain "targeted" areas, the borrowers do not need to be first-time buyers. Certain income requirements, house price restrictions, and criteria must be met. Loan fund availability and mortgage rates vary with each new bond issue.

- *Mortgage Credit Certificate (MCC) Program:* The MCC program 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*: MBOH makes mortgage funds available through recycling mortgage prepayments and other funds held under prior bond issues of the Homeownership MRB program. MBOH works in partnership with local nonprofit housing providers and local governments to develop programs to target specific housing needs within the local community. 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 MBOH's "Request for Proposal" process.

- *Disabled Accessible Affordable Homeownership Program*: In 1993, 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.

- *Montana House™*: The Montana House™ program is a collaboration between MBOH and the Blackfeet Housing Authority with Blackfeet Manpower and the Fort Belknap College. MBOH provides building materials for the homes. At the training sites, students build homes as part of their vocational training curriculum. The homes are available for purchase by individuals or families meeting 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, 1,008, 1,200, or 1,400 square feet. 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. The Blackfeet Housing Authority provides technical assistance for these functions.

- *Montana Veterans' Home Loan Program:* The Montana Veterans' Home Loan Mortgage Program was established during the 2011 Legislative Session, following introduction of the bill by Senator Larsen from Missoula. The program is designed to use funds from the principal of the Montana Coal Tax Trust Fund. The program is a permanent Revolving Loan fund for Veteran Home Loans. The program is designed to assist Montana residents who are National Guard members, reservists or federally qualified veterans to purchase their first home. This program helps fulfill part of the Montana Constitution that asks us to Honor all those who serve our country in the military. The Montana Veterans' Home Loan Program is funded by $30 million of principal from the Montana Coal Tax Trust Fund. First mortgage loans are administered by the Montana Board of Housing and purchased by Montana Board of Investments. The rate will be 1% below the current market rate, that is, the Montana Board of Housing regular program rate or the Fannie Mae 60 day lock rate, whichever is lower. The rate will be updated every two weeks.

Multifamily Programs

MBOH issues tax-exempt bonds to finance the construction of new and rehabilitation of existing, low income, multi-family housing. 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. MBOH provides mortgage underwriting, loan management, and financing, and the two entities share the risk of loss from default. 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 finances 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. MBOH makes tax-exempt bonds available for purchase by a financial institution, which in turn, makes loans to MBOH-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.

- *RD 538:* The MBOH has become an approved Section 538 program lender through Rural Development 538 provides government guaranteed loans for the development of affordable rural rental housing with at least five units. A Section 538 guaranteed loan can be combined with other financing sources such as Low Income Housing Tax Credits, a HOME grant or loan, state or local assistance (including tax-exempt bond financing).

Housing Montana Fund

The 1999 Montana legislative session created the Affordable Housing Revolving Loan Account (renamed the Housing Montana Fund in 2007) and assigned it to the Board to administer. The Fund is funded by a one time Federal Home Loan Bank grant of $1,500,000 that was loaned to eight preservation housing projects in Montana (the Board also holds permanent first mortgages on these projects), a transfer of $500,000 of Section 8 reserve funds that has been loaned to three housing projects and an allocation of $700,000 of Temporary Assistance for Needy Families funds used for homebuyer assistance. The Fund has no continuous source of funding, thereby limiting the ability of the Fund to fund additional projects in the future. 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
- 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. Once loans pay off, funds are recycled for use in new loans.

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. Once loans pay off, funds are recycled for use in new loans.

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

Community Development Block Grant Programs

Fund distribution for the CDBG Housing and Public Facilities categories is based on annual competitions for each category. Eligible applicants are limited to local governments: counties and incorporated towns and cities under 50,000 in population. The maximum grant request for each project grant 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, provided any earlier funded projects within the same category are substantially completed.

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 CDBG 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. A 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.

Funding for Housing and Neighborhood Renewal Projects, Public Facilities Projects and Economic Development Projects

Planned Method of Distribution for the 2012 Annual Action Plan

As approved by HUD, in the 2011 Annual Action Plan amendment and the 2012 Annual Action Plan, the Montana Department of Commerce carried out the method of distribution for the Montana CDBG Program in the following manner. Once Commerce received the award announcement of CDBG funding from HUD, program administration and technical assistance dollars were subtracted from the state's annual award, a minimum of 30%, but not to exceed 40%, of remaining funds was allocated to the Business Resources Division for Economic Development projects, and a minimum of 60%, but not to exceed 70% of funds as allocated to the Community Development Division for Public Facility and Housing and Neighborhood Renewal projects. Additionally, The MDOC Director has the discretion to award CDBG funds between Public Facilities and Housing categories in order to be flexible and have the ability to respond to the needs of Montana's communities as demonstrated through the number of applications received by the CDBG program.

This method of distribution provided the Director with more flexibility in allocating CDBG funds among categories in response to community needs. This method of distribution has been used by Commerce beginning with the use of CDBG funds for the 2011 plan year and continues to be used.

Distribution of CDBG Funds for the 2012 Annual Action Plan year

The State CDBG program received an allocation of $ 5,497,803 during the plan year ending March 31, 2013. The State used 3% of the funds or $264,934 for State Program Administration and Technical Assistance, as provided by federal law. The subsequent amount was then available for award to local governments for Economic Development, Public Facilities, and Housing (including planning grants) was $5,232,869.

From the award $ 5,4232,869 was used to carry out projects with eligible applicants. The Business Resources Division awarded $797,500 for economic development projects, and $0 for economic development planning grants. The Community Development Division awarded a total of $3,130,700 for Public Facilities and Housing projects, and $360,785 for planning grants related to community development. See Section B of this document for specific project awards.

HOME Program

HOME program funds available from HUD in the plan year ended March 31, 2012 totaled $4,148,228. The funds were distributed through a noncompetitive process and through a competitive grant application process with a deadline of February 10, 2012 The HOME program did not receive a sufficient number of fundable applications to fully award the 2012 grant competitive funds. The HOME program amended the method of distribution to allow for open applications rather than a second competitive round. The open application round allows the entitlement cities of Great Falls, Billings, and Missoula. Public housing authorities (PHAs) and community housing development organizations (CHDOs) operating within city boundaries, to submit applications.

Eligible applicants include general-purpose local governments (counties, incorporated cities and towns, and consolidated city-county governments), community housing development organizations certified by Commerce, and public housing authorities. The maximum request for a HOME project under the competitive application process is $750,000. CHDOs receive a minimum of 15% set-aside of each fiscal year's 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 have met spend down requirements. For the 2012 program year, Grantees with an open FFY 2011 grant must have 50% of the project funds drawn down by the application due date; Grantees with an open FFY 2010 grant must have 75% of the project funds drawn down by the application due date; and Grantees with grants three years and older (FFY 2009 and earlier grants) must have completed and conditionally closed out the grant before applying for additional funds. CHDOs applying for a CHDO-eligible activity must meet the applicable spend down requirements at the county level.

The HOME program instituted the Single Family Noncompetitive Program (SFNP). The HOME program allocated $750,000 not including "recaptured funds in 2012 to the SFNP.

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 Commerce and begins conducting its single-family program.

During the calendar year 2012 $1,151,500 of program income and recaptured funds were received and subsequently expended on additional HOME-eligible activities.

Emergency Solutions Grant Program

The 10 regional HRDCs (see map on page 55) receive 85% 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 2011, the Public Health and Human Services was awarded a HOPWA renewal grant of $1,430,000 million 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 Public Health and Human Services and four private agencies: the Sioux Falls Housing and Redevelopment Commission in South Dakota, Region VII Community Action Program in North Dakota, and Open Aid Alliance and Yellowstone AIDS Project in Montana (see map on page 64).

In 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. In 2012, the HOPWA Plus grant of $1,482,040 was approved by HUD for operation of the TS-HELP Plus program and continued funding the housing case managers.

SECTION B – INVESTMENT OF AVAILABLE RESOURCES

I.B.1 FEDERAL SOURCE – STATE ADMINISTRATION

Community Development Block Grant Program

CDD CDBG Projects funded during the 2012 Program Year Public and Community Facility Awards			
Applicant	**Project Type**	**Total Project Cost**	**Awarded Amount**
Flathead County (Intermountain Children's Home)	Community Facility	$ 1,643,809	$ 450,000
Gallatin County (Gallatin Gateway)	Wastewater System Improvement	$ 4,765,000	$ 450,000
Lewis & Clark County (YWCA Women's Shelter)	Community Facility	$ 3,142,685	$ 450,000
Missoula County (Tom Roy Youth Home)	Community Facility	$ 945,134	$ 450,000
Town of St. Ignatius	Water System Improvement	$ 793,200	$ 430,700

CDD CDBG Projects funded during the 2012 Program Year Housing and Neighborhood Renewal Awards			
Applicant	**Project Type**	**Total Project Cost**	**Awarded Amount**
City of Helena (West Mont)	Housing	$ 900,627	$ 450,000
Hill County (Havre Eagles Manor)	Housing	$ 450,000	$ 450,000

CDBG FFY 2012 Planning Awards for Public Facility and Housing

CDD CDBG Projects funded during the 2012 Program Year Planning Grant Awards		
Entity	**Project Type**	**Award**
Town of Bainville	Capital Improvements Plan, Needs Assessment and Growth Policy Update	$30,000.00
Big Horn County	Community Needs Assessment	$30,000.00
Blaine County	Preparation of Growth Policy	$27,285.00
Town of Culbertson	Preliminary Architectural Report for Roosevelt County Medical Center Expansion	$20,000.00
City of East Helena	Growth Policy Update, Preparation of a Zoning Ordinance and Subdivision Regulations	$30,000.00
Flathead County	Preliminary Architectural Report for Gateway Community Center	$30,000.00
Town of Froid	Preparation of a Zoning Ordinance	$12,000.00
City of Helena	Preliminary Architectural Report for Serendipity Apartments	$30,000.00
Town of Jordan	Update Growth Policy	$30,000.00
City of Lewistown	Preparation of Urban Renewal Plan and TIF District	$15,000.00
City of Livingston	Preliminary Architectural Report for Community Food Center	$30,000.00
Town of Lodge Grass	Preparation of Growth Policy and Capital Improvements Plan	18,000.00
Roosevelt County	Preparation of Feasibility Study for New Jail	$28,500.00
City of Sidney	Preparation of Hydrogeologic Evaluation and Preliminary Engineering Report	$30,000.00
	Total:	**$360,785**

Neighborhood Stabilization Program			
NSP 1			
Entity	**Project Description**	**Number of Units Stabilized**	**Amount of Award**
Anaconda Deer Lodge City/County	Acquisition, Rehab, Resale of Single Family foreclosed homes	7 single family homes	$1,131,310
City of Billings	Acquisition, Rehab, Resale of Single Family foreclosed homes	3 single family homes	$569,314
Gallatin County	Acquisition of foreclosed 23 unit condo building & New Construction of one condo buildings totaling 59 condo units for homeownership	59 Multifamily homeowner condominiums	$6,468,500
City of Great Falls	Acquisition, Rehab, Resale of Single Family foreclosed homes	13 single family homes	$1,299,853
City of Kalispell	Acquisition, Rehab, Resale of Single Family foreclosed homes. Homes will be placed in Community Land Trust	16 single family homes	$2,777,914
City of Missoula	Foreclosed property Acquisition, Demolition & New Construction of 115 unit rental structure	115 Multifamily rental units	$5,050,000
Pondera County	Acquisition, Rehab, Resale of Single Family foreclosed homes	3 single family homes	$318,760
Sanders County	Acquisition, Rehab, & Rental of foreclosed duplexes	10 Multifamily rental units (5 duplexes)	$1,004,349
State Administration			$980,000
Total		226	$19,600,000

Neighborhood Stabilization Program			
NSP 3			
Entity	**Project Description**	**Number of Units Stabilized as of 3-31-13**	**Amount of Award**
Butte Silver Bow City/County	Acquisition, Rehab, Resale of Single Family foreclosed, abandoned or	13	$2,649,000

	vacant homes		
City of Kalispell	Acquisition, Rehab, Resale of Single Family foreclosed homes. Homes will be placed in Community Land Trust	6 units	$1,500,000
Lake County	Acquisition and demolition of foreclosed and blighted multifamily rental unit, new construction of multifamily rental unit	I building with 4 units	$601,000
State Administration			$250,000
Total			$5,000,000

*Stabilized units will be identified as acquisitions occur in the NSP3 eligible areas.

FFY 2012 CDBG Economic Development Project Awards
(Open cycle)

REGULAR CDBG-ED PROJECT AWARDS

Locality:	Custer County
Project Number:	MT-CDBG-ED11-03
Name of Company:	Sanjel USA and OptiBlend, Inc.
Project Location:	Custer County
Financing Date:	June 21, 2012
CDBG-ED Funds:	$397,500
Other Funds:	
Big Sky Trust Fund	$127,500
Water Sewer District	$ 5,200
Custer County	$ 5,200
EDA	$439,500
TOTAL:	$974,900

Jobs Created: 30 full time positions/16 made available to low and moderate income persons.

Project Description: Custer County will use up to $393,875 in CDBG-ED grant funds for the construction of a water extension line to the east valley from Miles City along US Highway 12. The new infrastructure will allow major area employers such as Sanjel USA and OptiBlend, Inc. to access the district water system. This will be a job creation project for Sanjel USA and OptiBlend. The companies combined propose to create 30 FTEs of which at least 16 will be made available to low and moderate income persons.

Locality:	Rosebud County
Project Number:	MT-CDBG-ED11-04
Name of Company:	Rosebud Health Care Center
Project Location:	Rosebud County
Financing Date:	June 21, 2012
CDBG-ED Funds:	$ 400,000
Other Funds:	
Coal Board	$ 400,000
USDA	$1,368,518
Range Telephone	$ 200,000
Rosebud Foundation	$ 100,000
Rosebud County	$ 750
TOTAL:	$2,469,268

Jobs Retained: 22 jobs retained/12 filled or made available to low and moderate income persons.

Project Description: Rosebud County will utilize up to $400,000 of CDBG ED grant funds for items in support of the expansion of Rosebud Health Care Center. Improvements may include equipment purchases, architect fees, and other non-construction related costs. Rosebud Health Care Center has projected 22 full time equivalent jobs will be retained of which 12 of these positions wil be made available to or filled by low and moderate income persons when the Rosebud Health Care Center expansion is complete.

HOME Program FFY 2012 Competitive Awards – Round 1

(Round 1 Application Deadline: February 11, 2012)

Applicant: **ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.**
River Rock Residences, Helena

HOME Request/Award: $ 750,000

Total Project Budget: $ **6,152,252**

Summary: Rocky Mountain Development Council will construct 33 new senior-designated, low income apartment units in Helena. Each unit will be single level, energy efficient, affordable rentals with no-step entrance for accessibility and visitability. Seven units will be dedicated to housing households at 60% or less Area Median Income (AMI) and the remainder will be committed to housing 50% or less of AMI. Five units are designated as HOME assisted.

Applicant: **GARDEN CITY CHDO**
HOMEstead, Bozeman

HOME Request/Award: $ 679,500

Total Project Budget: $ **801,390**

Summary: The Garden City CHDO will purchase the HOMEstead, a newly constructed 6-plex of one-bedroom apartments of permanently affordable, permanent housing for persons with serious mental illness. The apartments will be affordable to those earning well below 30% without on-going rental assistance. All six units are designated as HOME assisted.

HOME Program FFY 2012 Competitive Project Awards – Round 2

(Round 2 Application Deadline: August 12, 2012)

Applicant: **GREAT FALLS HOUSING AUTHORITY**
Sand Hills Apartments Phase III, Great Falls

HOME Request/Award: $ 545,000

Total Project Budget: $ **6,815,420**

Summary: Great Falls Housing Authority requested $545,000 in HOME funds to construct Phase III of the Sand Hills apartment complex in southeast Great Falls. They intend to construct a four-plex apartment building identical to the Phase I and Phase II buildings, consisting of four (4), two-bedroom handicap adaptable units, all HOME-assisted. The targeted residents will be families at 50% to 80% of median income. Rent subsidies will be available to those requiring low-income housing assistance through the Great Falls Housing Authority Section 8 Housing Choice Voucher Program.

Applicant:	**DISTRICT XII HUMAN RESOURCES COUNCIL** Valley Apartments, Ennis
HOME Request/Award:	$ 618,402
Total Project Budget:	**$ 1,025,676**

Summary: District XII Human Resources Council will rehabilitate 12 low-income housing units, located in three buildings, in Ennis. Renovation would include new siding, additional insulation, window replacement, correction of drainage deficiencies, drought resistant landscaping, and inclusion of energy saving methods and materials. Eleven units would be designated as HOME assisted.

HOME Program Single Allocation Noncompetitive Program

Qualified Entities Accessing Single Family Noncompetitive Program Funds
4/1/2012 – 3/31/2013

District / Qualified Entity	Program Boundaries	Eligible Activities
District 2		
District 3		
City of Red Lodge	Within Red Lodge city limits	• Homebuyer down payment & closing cost assistance
District 4		
District IX HRDC	Gallatin, Meagher, Park Counties	• Homebuyer down payment & closing cost assistance • Homeowner rehabilitation
National Affordable Housing Network (NAHN)	Jefferson County	• Homebuyer down payment & closing cost assistance
Rocky Mountain Development Council (RMDC)	Greater Helena area of Lewis & Clark County	• Homebuyer down payment & closing cost assistance
District 5		
National Affordable Housing Network (NAHN)	Silver Bow County	• Homebuyer down payment & closing cost assistance
NeighborWorks Montana (NWMT)	Silver Bow County	• Homebuyer down payment & closing cost assistance

Emergency Solutions 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 use the funds to meet the needs of the homeless or those at risk of homelessness at the local level. Activities include rental assistance, financial assistance of rental application fees, security and utility deposits and payments, case management, housing search and support for toll free telephone referral hotlines for domestic abuse and other homeless individuals and families; and referral to mainstream resources; assistance to shelters for the homeless and victims of domestic and sexual violence, youth homes, and food banks.

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 July 1, 2012 - March 30, 2013[2]:

EMERGENCY SOLUTIONS GRANTS 04/01/2012 – 03/31/2013		
AGENCY	**HUD FUNDING**	**SERVICES**
Action for Eastern Montana – Glendive (District 1, 2, 3)	$ 49,930	Homeless Prevention Activities: Payment for rent assistance including arrears for families facing eviction/shut-off. Provide case management to support clients receiving Homeless Prevention. Rapid Re-Housing Activities: Payment for rent, utilities or deposits for families to gain housing. Security deposits to enable families to move into a dwelling of their own. Case management is provided for clients.
District IV HRDC – Havre (District 4)	$ 19,484	Rapid Re-Housing Activities: Payment for rent and security deposits to enable families to move into a dwelling of their own. Case management is provided for clients. Shelter Maintenance: 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 (District 5)	$ 78,602	Homeless Prevention Activities: Payment for rent assistance including arrears, security deposits, utility payments including arrears for families facing eviction/shut-off. Provide case management to support clients receiving Homeless Prevention. Rapid Re-Housing Activities: Payment for rent assistance including arrears, security deposits, utility payments including arrears for families to move into a dwelling of their own. Case management is provided for clients.
District VI HRDC – Lewistown (District 6)	$ 13,849	Homeless Prevention Activities: Homeless prevention activities in the form of rent assistance. Rapid Re-Housing: Payment for rent assistance and security deposits. Case management is provided to clients.

[2] The ESG contract year with its subgrantees runs from April 1 to March 31.

EMERGENCY SOLUTIONS GRANTS 04/01/2012 – 03/31/2013		
AGENCY	**HUD FUNDING**	**SERVICES**
District VII HRDC – Billings (District 7)	$ 106,782	Homeless Prevention Activities: Payment for rent assistance including arrears for families facing eviction.. Provide case management to support clients receiving Homeless Prevention. Rapid Re-Housing Activities: Payment for rent or arrears for families to gain housing. Security and utility deposits can be paid to enable families to move into a dwelling of their own. Case management is provided for clients. Shelter Maintenance: Payment of maintenance, operation, rent, repair, security, fuels and equipment, insurance, utilities and furnishings.
Rocky Mountain Development Council – Helena (District 8)	$ 43,370	Homeless Prevention Activities: Payment for rent assistance including arrears for families facing eviction/shut-off. Provide case management to support clients receiving Homeless Prevention. Rapid Re-Housing Activities: Payment for rent, utilities or deposits for families to gain housing. Security deposits to enable families to move into a dwelling of their own. Case management is provided for clients. Shelter Maintenance: Payment of maintenance, operation, rent, repair, security, fuels and equipment, insurance, utilities and furnishings.
District IX HRDC – Bozeman (District 9)	$ 65,676	Homeless Prevention Activities: Payment for rent assistance including arrears for families facing eviction/shut-off. Provide case management to support clients receiving Homeless Prevention. Rapid Re-Housing Activities: Payment for rent, utilities or deposits for families to gain housing. Security deposits to enable families to move into a dwelling of their own. Case management is provided for clients. Shelter Maintenance: Payment of maintenance, operation, rent, repair, security, fuels and equipment, insurance, utilities and furnishings.
Community Action Partnership of NW MT – Kalispell (District 10)	$ 99,272	Homeless Prevention Activities: Payment for rent assistance or deposits for families facing eviction. Provide case management to support clients receiving Homeless Prevention. Rapid Re-Housing Activities: Payment for rent and utilities or deposits for families to gain housing. Shelter Maintenance: Payment of maintenance, operation, rent, repair, security, fuels and equipment, insurance, utilities and furnishings. HMIS: Costs associated Homeless Management Information System data collection entry.
District XI HRC – Missoula (District 11)	$ 105,488	Rapid Re-Housing Activities: Payment for rent, utilities or deposits for families to gain housing. Security deposits to enable families to move into a dwelling of their own. Case management is provided for clients. This includes funding for the 2-1-1 to provide assistance or referrals.
District XII HRDC – Butte (District 12)	$ 48,370	Homeless Prevention Activities: Payment for rent assistance or security deposits for families facing eviction. Provide case management to support clients receiving Homeless Prevention. Rapid Re-Housing Activities: Payment for utilities or security deposits for families to gain housing. Security deposits to enable families to move into a dwelling of their own. Case management is provided for clients. Shelter Maintenance: 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	**$ 630,823**	

Homeless Prevention Rapid Re-Housing Program

Public Health and Human Services granted the HPRP funds to the ten Human Resource Development Councils. The HRDCs operate the program. The following reflects the funding and activities performed under this grant.

Activity Type	Committed to Activities	Homeless Prevention			Homeless Assistance			Expended through 5/31/2012
		Grant Amount	Amount Expended	%	Grant Amount	Amount Expended	%	
Financial Assistance								
Action for Eastern Montana – Glendive	$ 73,299	$ 66,035	$ 66,035	100%	$ 7,264	$ 7,264	100%	$ 73,299
District IV HRDC – Havre	$ 106,216	$ 78,714	$ 78,714	100%	$ 27,502	$ 27,502	100%	$ 106,216
Opportunities, Inc. - Great Falls	$ 212,558	$ 166,896	$ 166,896	100%	$ 45,662	$ 45,662	100%	$ 212,558
District VI HRDC – Lewistown	$ 98,420	$ 75,355	$ 75,355	100%	$ 23,065	$ 23,065	100%	$ 98,420
District VII HRDC – Billings	$ 564,701	$ 373,517	$ 373,517	100%	$ 191,184	$ 191,184	100%	$ 564,701
Rocky Mountain Development Council – Helena	$ 252,419	$ 147,134	$ 147,134	100%	$ 105,285	$ 105,285	100%	$ 252,419
District IX HRDC – Bozeman	$ 301,610	$ 212,073	$ 212,073	100%	$ 89,537	$ 89,537	100%	$ 301,610
Community Action Partnership of NW MT - Kalispell	$ 353,050	$ 303,455	$ 303,455	100%	$ 49,595	$ 49,595	100%	$ 353,050
District XI HRC – Missoula	$ 339,250	$ 263,172	$ 263,172	100%	$ 76,078	$ 76,078	100%	$ 339,250
District XII HRDC – Butte	$ 84,760	$ 77,943	$ 77,943	100%	$ 6,817	$ 6,817	100%	$ 84,760
Total Allocated & Expenses	**$2,386,283**	**$ 1,764,294**	**$1,764,294**	**100%**	**$ 621,989**	**$ 621,989**	**100%**	**$2,386,283**
Housing Relocation & Stabilization Services								
Action for Eastern Montana – Glendive	$ 11,987	$ 11,987	$ 11,987	100%	$ 0	$ 0	0%	$ 11,987
District IV HRDC – Havre	$ 8,454	$ 6,890	$ 6,890	100%	$ 1,564	$ 1,564	100%	$ 8,454
Opportunities, Inc. - Great Falls	$ 109,933	$ 63,092	$ 63,092	100%	$ 46,841	$ 46,841	100%	$ 109,933
District VI HRDC – Lewistown	$ 9,097	$ 7,361	$ 7,361	100%	$ 1,736	$ 1,736	100%	$ 9,097
District VII HRDC – Billings	$ 125,804	$ 69,359	$ 69,359	100%	$ 56,445	$ 56,445	100%	$ 125,804
Rocky Mountain Development Council – Helena	$ 90,455	$ 47,006	$ 47,006	100%	$ 43,449	$ 43,449	100%	$ 90,455
District IX HRDC – Bozeman	$ 129,315	$ 82,041	$ 82,041	100%	$ 47,274	$ 47,274	100%	$ 129,315
Community Action Partnership of NW MT - Kalispell	$ 117,976	$ 88,808	$ 88,808	100%	$ 29,168	$ 29,168	100%	$ 117,976

Activity Type	Committed to Activities	Homeless Prevention			Homeless Assistance			Expended through 5/31/2012
		Grant Amount	Amount Expended	%	Grant Amount	Amount Expended	%	
District XI HRC – Missoula	$ 138,540	$ 90,742	$ 90,742	100%	$ 47,798	$ 47,798	100%	$ 138,540
District XII HRDC – Butte	$ 66,320	$ 57,341	$ 57,341	100%	$ 8,979	$ 8,979	100%	$ 66,320
Total Allocated & Expenses	**$ 807,881**	**$ 524,627**	**$ 524,627**	**100%**	**$ 283,254**	**$ 283,254**	**100%**	**$ 807,881**

SUMMARY OF EXPENDITURES BY ACTIVITY Expenditures ($) – Grant to Date			
	Homeless Prevention	**Homeless Assistance**	**Total**
Financial Assistance	$1,764,924	$ 621,989	$ 2,386,283
Housing Relocation & Stabilization Services	$ 571,468	$ 236,413	$ 807881
Data Collection & Evaluation			$ 375,000
Administration			$ 162,163
TOTAL			**$ 3,731.327**
TOTAL GRANT AMOUNT			**$ 3,731,327**
The amount of funds expended (costs incurred, not necessarily drawn down) for each activity type, for the grant.			

State of Montana HPRP Performance Report for Period Ending 3/31/2013

PERSONS AND HOUSEHOLDS SERVED						
	Homeless Prevention		**Homeless Assistance**		**Total**	
	Persons	**Hshlds**	**Persons**	**Hshlds**	**Persons**	**Hshlds**
TOTAL SERVED						
TOTAL SERVED: Grant to Date (Unduplicated)	**4,528**	**1,751**	**1,580**	**729**	**5,981**	**2,417**
TOTAL SERVED BY ACTIVITY (#)						
ACTIVITIES:						
Financial Assistance:						
Rental assistance	3,963	1,521	1,147	515	5,004	1,986
Security & utility deposits	1,284	495	1,299	598	2,488	1,047
Utility payments	294	104	43	20	331	120
Moving cost assistance	13	5	8	6	21	11
Motel & hotel vouchers	32	18	138	82	154	91
Total-Financial Assistance: Grant to Date (Unduplicated)	**4,443**	**1,715**	**1,527**	**710**	**5,845**	**2,364**
Housing Relocation & Stabilization Services:						
Case management	4,320	1,675	1.515	694	5,712	2,308
Outreach & engagement	69	23	19	8	88	31
Housing search & placement	93	30	162	68	230	87
Legal services	0	0	0	0	0	0
Credit repair	0	0	0	0	0	0
Total-Housing Relocation & Stabilization Services: Grant to Date (Unduplicated	**4,348**	**1,684**	**1,524**	**698**	**5,749**	**2,321**

"Total Served" is the total unduplicated number of persons and households served with HPRP Homelessness Prevention Assistance and HPRP Homeless Assistance (Rapid Re-Housing) for the grant to date. In the "Total" rows under "Total Served by Activity (#)," is the total unduplicated number of persons and households served with Financial Assistance and with Housing Relocation and Stabilization Services. For the "Total Financial Assistance" row and the "Total Housing Relocation and Stabilization Services" row: the unduplicated amount entered in each cell in these rows is not necessarily the sum of the cells for each activity above it.

HOUSING OUTCOMES OF PERSONS SERVED WITH HOMELESSNESS PREVENTION ASSISTANCE						
Housing Outcomes (All Leavers Only) – Grant to Date						
	Homeless Prevention			Homeless Assistance		
DESTINATION	Persons	%	% of Total	Persons	%	% of Total
Permanent Destination						
Permanent supportive housing for formerly homeless persons (such as SHP, SPC, or SRO Mod Rehab)	0	0.00%	0.00%	6	0.42%	0.37%
Rental by client, no housing subsidy	3,744	90.15%	84.73%	1,181	81.96%	71.97%
Rental by client, VASH housing subsidy	1	0.02%	0.02%	16	1.11%	.98%
Rental by client, other (non-VASH) housing subsidy	354	8.52%	8.01%	225	15.61%	13.71%
Owned by client, no housing subsidy	48	1.16%	1.09%	10	0.69%	0.61%
Owned by client, with housing subsidy	0	0.00%	0.00%	2	0.14%	0.12%
Staying or living with family, permanent tenure	6	0.14%	0.14%	0	0.00%	0.00%
Staying or living with friend, permanent tenure	0	0.00%	0.00%	1	0.07%	0.06%
Total Persons Leaving for Permanent Destinations	**4,153**	**100.00%**	**93.98%**	**1441**	**100.00%**	**87.81%**
Temporary Destinations						
Emergency shelter, including hotel or motel paid for with emergency shelter voucher	8	38.10%	0.18%	8	25.00%	0.49%
Transitional housing for homeless persons (including homeless youth)	0	0.00%	0.00%	1	3.13%	0.06%
Staying or living with family, temporary tenure	8	38.10%	0.18%	2	6.25%	0.12%
Staying or living with friend, temporary tenure	1	4.76%	0.02%	5	15.63%	0.30%
Hotel or motel paid for without emergency shelter voucher	4	19.05%	0.09%	10	31.25%	0.61%
Place not meant for human habitation	0	0.00%	0.00%	6	18.75%	0.37%
Safe Haven	0	0.00%	0.00%	0	0.00%	0.00%
Total Persons Leaving for Temporary Destinations	**21**	**100.00%**	**0.48%**	**32**	**100.00%**	**1.95%**
Institutional Destinations						
Psychiatric hospital or other psychiatric facility	0	0.00%	0.00%	0	0.00%	0.00%
Substance abuse treatment facility or detox center	2	20.00%	0.05%	0	0.00%	0.00%
Hospital (non-psychiatric)	0	0.00%	0.00%	0	0.00%	0.00%
Jail, prison or juvenile detention facility	7	70.00%	0.16%	2	100.00%	0.12%
Foster care home or foster care group home	1	10.00%	0.02%	0	0.00%	0.00%
Total Persons Leaving for Institutional Destinations	**10**	**100.00%**	**0.23%**	**2**	**100.00%**	**0.12%**
Miscellaneous						
Other Destinations	11	4.68%	0.25%	9	5.42%	0.55%
Deceased	1	0.43%	0.02%	1	0.06%	0.06%
Don't know / refused	141	60.00%	3.19%	120	72.29%	7.31%
Missing this information	82	34.89%	1.86%	36	21.69%	2.19%
Total for Miscellaneous	**235**	**100.00%**	**5.32%**	**166**	**100.00%**	**10.12%**
TOTAL PERSONS WHO LEFT THE PROGRAM	**4,419**		**100.00%**	**1,641**		**100.00%**

The number of persons who resided in each of the destinations provided after HPRP Homelessness Prevention Assistance ended; the total for the grant to date.

Housing Opportunities for Persons With AIDS

The Tri-State HELP (TS HELP) (3-State) Program was awarded a renewal HOPWA grant in 2011, for a three-year funding period, October 1, 2011 through September 30, 2014, for $1,430,000 of which $767,704 is distributed to Montana sub-grantees. Additionally, the TS-HELP was awarded a three-year renewal grant for TS HELP Plus for the period of 9/1/2012 through 8/31/2015 for HOPWA Plus in the amount of $1,484,420 of which $892,622 is distributed to Montana sub-grantees.

The TS HELP Program provides tenant based rental assistance, emergency assistance, permanent supportive housing 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 Open Aid Alliance (OAA) in Missoula. The HOPWA program provides $182,580 annually for rental assistance and short-term emergency assistance and the HOPWA Plus program provides $206,180 annually for rental assistance and short-term emergency assistance. OAA and YAP each receive approximately 50% of the funds.

Although the TS HELP/HOPWA Program reports to HUD directly, a summary of results are presented for the two regions of Montana. Data collected by the YAP and the OAA housing coordinators for the TS HELP and TS HELP Plus grants are presented in the following table.

Montana Progress Report, October 2011 through September 2012		
Total Clients Receiving Services: 143		
Gender:	Male: 106	Female:.....29
Ethnicity:	Non-Hispanic: 140	Hispanic: 3
Race:	African/American: 7	Native American: 11
Recent Living Situation:	Homeless:.....7	Veterans 3
	Detox Center/Incarcerated ..2	Previous HOPWA 136
Assistance Provided:		
Total # Receiving Short-Term/Emergency Assistance: 86		
Total funds spent on Short-Term/Emergency Assistance .....$ 51,369		
Total # Receiving Long-Term (*began with LT or moved to LT after being assisted with ST*)..... 139		
Total funds spent on Long-Term Assistance .....$ 333,548		
Total Funds Spent on Housing Assistance (*rental assistance & short-term emergency assistance*)**: .....$ 384,917**		
Outcomes:		
Income producing jobs**……21**		

U.S. Department of Energy and Other Energy Programs

In the plan year ended March 2013, 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	$ 1,521,707
U.S. Department of Health and Human Services (LIHEAP)	$ 6,993,083
NorthWestern Energy	$ 1,273,820
Bonneville Power Administration	$ 236,874
USB/MDU[3]	$ 307,154
Total	**$10,332,638**

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 1.0 (based on the use of a computerized energy audit) may be installed on eligible dwellings.

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

U.S. Department of Health and Human Services (LIHEAP)	$ 12,606,635
Utility Company Low Income Discount	$ 5,174,591
Total	**$ 17,781,226**

Low Income Housing Tax Credit Program

Since the program's inception in Montana, more than $36.1 million in federal tax credits have been allocated for 5,556 units of rental housing. For the plan year ending March 31, 2013, the following projects were awarded:

Project(s)	City/Town	Total Project Costs	Tax Credits Awarded
Haggerty Lane Apartments	Bozeman	$2,186,498	$ 200,00
Sweet Grass Apartments	Shelby	$ 1,895,965	$ 200,000
Soroptimist Village	Great Falls	$ 5,148,388	$ 480,000
Blackfeet Homes V	Browning	$ 5,425,803	$ 631,225
Parkview Village	Sidney	$ 3,723,778	$ 403,013
Depot Place	Kalispell	$ 6,218,523	$ 608,000
TOTAL COSTS		**$ 24,598,955**	**$ 2,522,238**

[3] Universal System Benefits/Montana Dakota Utilities

I.B.2 FEDERAL SOURCE - LOCAL ADMINISTRATION

U.S. Department of Housing & Urban Development Programs

Continuum of Care

Funds for transitional housing and permanent supportive housing are available on a competitive basis through the state's Continuum of Care process. Renewal grants awarded for the FY 2012 cycle included the following (new grants have not yet been announced):

MONTANA'S STATEWIDE CONTINUUM OF CARE
HOMELESS ASSISTANCE GRANTS
FEDERAL FISCAL YEAR 2012

Applicant / Project Sponsor	Project Name	Received
Missoula County	Ada's Place Transitional Housing-SHPR	$ 100,201
Mountain Home Montana, Inc.	B. Hamilton Project-SHPR	$ 78,261
Northwest Montana Human Resources, Inc.	Courtyard Apartments-SHPR	$ 36,452
Public Housing Authority of Billings	FY 2010 Shelter + Care Renewal-SPCR	$ 103,426
God's Love, Inc.	God's Love FTC-SHPR	$ 146,171
District 7 HRDC	Harmony House-SHPR	$ 65,085
Helena Housing Authority	Helena Housing Authority Shelter Plus Care-SPCR	$ 192,232
HRC District XII	Homeward Bound FY2010-SHPR	$ 90,958
State of Montana, Dept of Commerce	Housing Division SPC - SPCR	$ 257,738
Poverello Center Inc.	Joseph Residence at Maclay Commons-SHPR	$ 70,821
Missoula Housing Authority	MHA 102 Shelter Plus Care Renewal 2010-SPCR	$ 847,794
State of Montana	MTHMIS Project 2011 Funding-SHPR	$ 68,320
Florence Crittenton Home & Services	Pathways to Success-SHPR	$ 126,918
Public Housing Authority of Butte	Public Housing Authority of Butte S+C-SPCR	$ 93,359
Supporters of Abuse Free Environments (SAFE), Inc.	SAFE Transitional Housing-SHPR	$ 34,680
Samaritan House, Inc.	Samaritan House, Inc.-SHPR	$ 64,200
Missoula County	SHARE House-SHPR	$ 147,498
HRDC District IX	Amos House	$ 20,400
HRDC District IX	Family Transitional Housing	$ 26,310

Housing Authority of Billings	FY 2010 Shelter Plus Care	$ 103,426
		$2,648,326

Fair Housing Initiatives Program (FHIP) Grants

In March 2011, HUD awarded $40.8 million to 108 fair housing organizations and non-profit agencies in 36 states and the District of Columbia to educate the public and combat housing and lending discrimination. Two awards were announced for Montana.

In October 2011, HUD awarded funds to 108 fair housing organizations and non-profit agencies around the United States to educate the public and combat housing and lending discrimination.

- Montana Fair Housing, Inc. was awarded $167,900 under the Private Enforcement Initiative (PEI), which will use its grant to eliminate the impediments to fair housing outlined in Montana's State *Analysis of Impediments*. Activities will include: intake and referral activities, including the referral of meritorious claims to HUD and the mediation of cases; complaint investigation activities including testing and other research activities to identify discriminatory housing practices, and the monitoring of the design and construction of multi-family buildings; educational opportunities for advocates, housing consumers and housing providers; distribution of a list of housing that should be accessible/adaptable for persons with mobility limitations; and work with other organizations serving protected class members to affirmatively further fair housing.

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

HUD announced in September 2011 that two public housing agencies in Montana will receive $175,703 to retain or hire service coordinators to work directly with families who participate in HUD's Housing Choice Voucher program. The coordinators will assist these voucher recipients to find employment resources and job training opportunities to put them on a path toward self-sufficiency. These agencies are among nearly 600 that will receive approximately $60 million in grants. Montana grantees include:

- Housing Authority of Billings $ 41,049
- Missoula Housing Authority $ 134,654

HUD's *Housing Choice Voucher Family Self-Sufficiency Program* supports public housing agencies to retain or hire family self-sufficiency coordinators. These coordinators in turn link adults in the HCV program with welfare agencies, schools, businesses and other local partners to develop the skills and experience to enable them to obtain jobs that pay a living wage. The local organizations typically provide participating individuals job training, childcare, counseling, transportation, job placement and homeownership counseling.

Participants in the HCV-FSS program sign a contract that requires 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. HUD's Family Self Sufficiency Program is a long-standing resource for increasing economic security and self-sufficiency among participants.

Public Housing Family Self-Sufficiency (PH-FSS) / Resident Opportunities and Self-Sufficiency (ROSS-SC)

The ROSS-SC and PH-FSS programs allow grantees across the U.S. hire or retain service coordinators to work directly with residents to assess their needs to connect them with education, job training and placement programs and/or computer and financial literacy services available in their community to promote self-sufficiency. Only public housing authorities are eligible for PH-FSS grants. ROSS-SC grants can be awarded to public housing authorities, resident associations and nonprofit organizations. Grantees that receive ROSS-SC grants can also use the funding for this purpose, which allows the elderly or persons with disabilities who live in public housing to maintain their independent lifestyle.

- In September 2011, HUD awarded the Missoula Housing Authority (MHA) $309,000 in grants to help public and assisted housing residents find employment; connect with needed services; and help the elderly and people with disabilities maintain independent living. The funding also allows the grantees to retain or hire "service coordinators" or case workers to work directly with these HUD-assisted families to connect them to the supportive services that meet their individual needs. MHA will receive $69,000 in PH-FSS funding and $240,000 in ROSS-SC funding. MHA was previously awarded $69,000 in FSS funding in May 2011 to hire a coordinator to residents find the needed education, training and ultimately jobs
- In June 2011, HUD awarded a total of $579,000 to Fort Peck Housing Authority, Inc. ($201,000), Northern Cheyenne Tribal Housing Authority ($168,000), and Salish & Kootenai Housing Authority ($210,000).

Rural Innovation Fund

Three tribal communities in Montana received $2.9 million in grants to address distressed housing conditions and concentrated poverty. The grants from HUD's new *Rural Innovation Fund* promote an "entrepreneurial approach" to affordable housing and economic development in rural areas.

- The Chippewa Cree Tribe will use their award to construct a water storage and delivery system that will provide potable water and fire suppression to the community (justice center, health clinic and approximately 200 homes). This project will result in the creation of 21 jobs.

- The Northern Cheyenne Tribal Housing Authority will use their grant to rehabilitate 21 houses, raising their standards for safety, energy efficiency, and accessibility. These efforts will result in a 10 percent reduction in substandard housing for the community.
- The Salish & Kootenai Housing Authority (SKHA) will purchase foreclosed properties that can then be re-sold at more affordable prices. The funding will also provide homebuyer education, credit counseling, financial assistance and affordable housing options. Additionally, the funds will help the CS&KT tribal credit program with the purchase and renovation of foreclosed properties to which they hold title.

Tribal Colleges and Universities Program (TCUP)

Native American colleges and universities receive HUD 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. In September 2010, three Montana Tribal colleges received $2.4 million.

- Salish Kootenai College (SKC) intends to use its TCUP grant to construct a teacher education building. In only four years, SKC teacher education has grown from one to three bachelor's degrees, from four to nine faculty positions, and from 52 to 246 students. By 2012, the college anticipates hiring two additional faculty members to meet the projected enrollment of 300 students. The project will serve the 7,739 low- and moderate-income Native American community members of the Flathead Indian Reservation.
- Stone Child College (SCC) intends to use its TCUP grant to implement its Capacity Enhancement and Rehabilitation project. This project will benefit primarily low- and very low-income American Indian students, families, and children on the Rocky Boy's Indian Reservation through the construction or rehabilitation of several facilities. These efforts will address the current and pressing need to offer culturally appropriate, socially relevant, high-quality education and services to the Chippewa Cree Tribal members, including their children, on Rocky Boy's Indian Reservation.
- Fort Peck Community College (FPCC) intends to use its TCUP grant to construct a combined library, information technology, and community learning center. Expansion and construction of this campus facility has been a goal in FPCC's long-range plan, as the current library, learning center, and computer labs at FPCC's main campus in Poplar are too small for the increasing usage by the 500 FPCC students, primary and secondary school students, and community members. The facility will address the absence of adequate educational research and technological communication opportunities found in isolated, low-income communities. This facility will enhance student, faculty, staff, and the reservation community's access to both educational and community service opportunities by providing library services, information technology access, Tribal archival documents, and learning space.

Capital Fund Education and Training Community Facilities (CFCF) Program

HUD's *Capital Fund Education and Training Community Facilities Program* provides funding to public housing authorities for the construction, rehabilitation, or purchase of facilities that will offer early childhood education, adult education and job training programs. It is designed primarily for public housing residents, but can be utilized by residents in the surrounding community. The purpose of the facilities is to offer comprehensive, integrated education and employment services to help public housing residents achieve long-term economic self-sufficiency.

HUD awarded $576,479 to the Helena Housing Authority (HHA) in May 2011 to create a center for early childhood education and adult job training for public housing residents. HHA was one of only 10 successful applicants across the country. The grant award will provide seed money to construct a 4,500 square foot facility on a site owned by the housing authority. Local partners include Head Start, the University of Montana - Helena College of Technology and the Career Training Institute.

Housing Counseling Program

As part of its continuing effort to help families find decent housing and to prevent future foreclosures, HUD announced $145,194 in housing counseling grants to two organizations in Montana on March 16, 2012. As a result of this funding, Montana households will have a greater opportunity to find housing or keep their current homes.

- MBOH, Helena.....$119,546

- Human Resource Development Council, District IX, Bozeman.....$ 25,648

  This year's HUD grant will provide rental, emergency housing and homeownership assistance to the HRDC's customers through individual and group counseling and education. Services 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 in the three Southwest Montana counties served by the HRDC to low and moderate income households.

Emergency Homeowners Loan Program (EHLP)

In June 2011, HUD in conjunction with NeighborWorks® America announced the launch of the Emergency Homeowners' Loan Program to help homeowners who are at risk of foreclosure in Montana. Congress provided $1 billion dollars to HUD, as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, to implement EHLP. The program will assist homeowners who have experienced a reduction in income and are at risk of foreclosure due to involuntary unemployment, underemployment, due to economic conditions or a medical condition. HUD allocated $5.7 million to fund this

emergency loan program in Montana. Under EHLP program guidelines eligible homeowners can qualify for an interest free loan that pays a portion of their monthly mortgage for up to two years, or up to $50,000, whichever comes first. The EHLP program will pay a portion of an approved applicant's monthly mortgage including missed mortgage payments or past due charges including principal, interest, taxes, insurances, and attorney fees.

Public Housing Capital Fund Program

In July 2011 and February 2012, HUD awarded public housing authorities in Montana $2,960,559 and $2,574,655, respectively, that will be used to make major large-scale improvements to their public housing units. The grants are provided through HUD's Capital Fund Program, which provides annual funding to all public housing authorities to build, repair, renovate and/or modernize the public housing in their communities. This funding can be used to make large-scale improvements such as new roofs and to make energy-efficient upgrades to replace old plumbing and electrical systems. The following housing authorities in Montana will receive this funding:

	7/12/2011 Awards	**2/10/2012 Awards**
Housing Authority of Billings	$398,395	$367,014
Great Falls Housing Authority	$805,479	$690,034
Housing Authority of Butte	$429,725	$368,135
Helena Housing Authority	$502,219	$462,661
Housing Authority of the City of Anaconda	$217,022	$193,945
Richland County Housing Authority	$109,659	$98,956
Housing Authority of Glasgow	$81,552	$73,371
Whitefish Housing Authority	$54,894	$49,157
Dawson County Housing Authority	$27,728	$26,529
Missoula Housing Authority	$333,886	$244,853
TOTAL	**$2,960,559**	**$2,574,655**

Sustainable Regional Planning Grant

HUD’s Regional Planning Grant program encourages grantees to support regional planning efforts that integrate housing, land-use, economic and workforce development, transportation, and infrastructure developments in a manner that empowers regions to consider how all of these factors work together to create more jobs and economic opportunities. The program will place a priority on partnerships, including the collaboration of arts and culture, philanthropy, and innovative ideas to the regional planning process. Recognizing that areas are in different stages of sustainability planning, HUD has established two categories for the Regional Planning Grant program. The first supports communities that are beginning the conversation about how best to align their housing, transportation, environment, and other infrastructure

investments. The second recognizes that some communities have already achieved significant momentum and are prepared to move toward completion and implementation of regional plans for sustainable development.

- **Opportunity Link** was awarded **$1,500,000** to develop the *North-Central Montana Regional Planning for Sustainable Development.* This process will engage regional governments, planners, stakeholders and residents throughout a 36-month period to develop a high road approach to emerging jobs and contracts, and a series of baseline and benchmark metrics that can guide evaluation of progress. Opportunity Link will provide GIS-based scenario planning, training in comprehensive sustainable plan, and one-on-one follow-up technical assistance to government planning offices. Training opportunities will be provided throughout the project period with current data and new resources made available to residents, organizations and planners online through the North-Central Montana Sustainable Communities Clearinghouse.

  Anticipated Project Benefits:

  - Engage regional governments, planners, stakeholders and residents throughout a 36-month period to develop citizen involvement, government coordination, a high road approach to emerging jobs and contracts, and a series of baseline and benchmark metrics that can guide evaluation of progress
  - Creation of coordinated plan elements in areas of transportation; housing; economic development; and quality of life issues, including potable and storm water management, obesity and diabetes reduction.

  Core Partners: Cascade County, Teton County, Chouteau County, Toole County, Glacier County, Blackfeet Indian Reservation, Hill County, Fort Belknap Indian Reservation, Judith Basin County, Rocky Boy's Indian Reservation, Liberty County, City of Great Falls, Great Falls MPO, Phillips County, City of Havre, and Pondera County.

U.S. Department of Agriculture Rural Development Programs

In federal fiscal year 2010, USDA RD housing programs provided more than $185 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 9/30/2012 (FFY 2012)			
Program	**Program Description**	**Number**	**$ Amount**
Rural Housing (RH)-Guarantee	Federal loan guarantees provided to lenders for single-family housing.	993	$ 148,464,687
Section 502 Direct	Single family housing direct loan for very low- and low-income borrowers	205	$ 30,191,037
Section 504 Loans and Grants	Repair loans and grants for very low income borrowers	44	$ 228,452
Housing Preservation Grants	Housing preservation grants made to entities for rehabilitation and repair	0	$ 0

MONTANA RURAL HOUSING SERVICES (RHS) OBLIGATIONS 9/30/2012 (FFY 2012)			
Program	**Program Description**	**Number**	**$ Amount**
523 Mutual Self-Help Grants	Technical and management assistance oversight grant	3	$ 651,005
515 Rural Rental Housing	Multi-family housing loans for low- and very low- income affordable housing projects	2	$ 754,900
521 Rental Assistance	Rent subsidies for tenants	1,397	$ 5,146,728
538 Multi-Family Housing (MFH) Guarantee	Federal Guarantee to lender for low- and moderate-income tenants	0	$ 0
525 TMA Grant	Grant for an oversight organization to promote homebuyer education	0	$ 0
509 Application Packing Grant	Grant for loan packaging services	0	$ 0
TOTAL		**2,644**	**$ 185,436,809**

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 Biennium		
	Project Type	**Authorized Amt**
2013 Biennium	Infrastructure	$6,260,000
2011 Biennium	Infrastructure	$8,654,593
2009 Biennium	Infrastructure	$7,658,596
2007 Biennium	Infrastructure	$4,600,000
2005 Biennium	Infrastructure	$3,700,000
2003 Biennium	Infrastructure	$4,300,741
2001 Biennium	Infrastructure	$4,237,972
1999 Biennium	Infrastructure	$2,200,000
1997 Biennium	Infrastructure	$1,686,204

Montana Department of Commerce

Community Development Division

Treasure State Endowment Program

The TSEP program provides financial assistance to local governments in the form of a grant up to $750,000 for water and sewer projects. TSEP is a common leverage source for infrastructure projects and emergency projects in communities across Montana. The following table illustrates the TSEP grants available in past biennial program years.

Project Grants

Treasure State Endowment Program		
Project Grants by Biennium		
	Project Type	**Amount Available for Award**
2013 Biennium	Infrastructure	$13,753,578
2011 Biennium	Infrastructure	$31,995,438
2009 Biennium	Infrastructure	$31,772,915
2007 Biennium	Infrastructure	$15,968,253

Infrastructure Planning Grants

Treasure State Endowment Program		
Planning Grants by Biennium		
	Project Type	**Amount Available for Award**
2013 Biennium	Infrastructure Planning Grant	$900,000
2011 Biennium	Preliminary Engineering Report	$900,000
2009 Biennium	Preliminary Engineering Report	$900,000
2007 Biennium	Preliminary Engineering Report	$900,000

Emergency Grants

Treasure State Endowment Program		
Emergency Grants by Biennium		
	Project Type	**Amount Available for Award**

2013 Biennium	Emergency Grant	$100,000
2011 Biennium	Emergency Grant	$100,000
2009 Biennium	Emergency Grant	$100,000
2007 Biennium	Emergency Grant	$100,000

Quality Schools Facility Grant Program

The Quality Schools program provides financial assistance to K-12 school districts (as defined in 20-6-701, MCA) in the form of a project grant for school facility projects, planning and emergency projects in communities across Montana. The following table illustrates the Quality Schools grants available in past biennial program years.

Project Grants

Quality Schools Grant Program		
Project Grants by Biennium		
	Project Type	**Amount Available for Award**
2013 Biennium	Project Grants	$10,606,964
2011 Biennium	Project Grants	$11,069,265

Planning Grants

Quality Schools Grant Program		
Planning Grants by Biennium		
	Project Type	**Amount Available for Award**
2013 Biennium	Planning Grants	$900,000
2011 Biennium	Planning Grants	$900,000

Emergency Grants

Quality Schools Grant Program		
Emergency Grants by Biennium		
	Project Type	**Amount Available for Award**
2013 Biennium	Emergency Grants	$100,000
2011 Biennium	Emergency Grants	$100,000

Coal Board Funding

The Coal Board funding provides financial assistance to local governments, school districts, state agencies, and tribal governments with the impacts that are a direct consequence of coal development or as a result of major decline in coal-related activities in the form of a project grant up for facility or planning projects. The following table illustrates the Quality Schools grants available in past biennial program years.

Project & Planning Grants

Coal Board Funding		
Project & Planning Grants by Biennium		
	Project Type	**Amount Available for Award**
2013 Biennium	Project Grants	$5,917,424
2011 Biennium	Project Grants	$5,736,643
2009 Biennium	Project Grants	$2,000,000

Business Resources Division

Indian Country Economic Development

ICED grants, which are leveraged 1:1 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 2012, the following projects were awarded:

2012 ICED Awards					
Year	Tribe	Project	Award	Match	Total Project
2012	Blackfeet PO Box 850 Browning MT 59417	Blackfeet Small Business Development Fund II	$70,000	$70,000	$140,000
2012	Chippewa Cree PO Box 544 Box Elder, MT 59521	Small Business Facility Renovation (Chippewa Cree Multi-Purpose Building)	$70,000	$70,000	$140,000
2012	Confederated Salish & Kootenai Tribes PO Box 278 Pablo MT 59855	CSKT Small Business Development Grant II	$70,000	$70,000	$140,000
2012	Crow PO Box 970 Crow Agency MT	Apsaalooke Nation Revolving Loan Fund	$70,000	$605,405	$675,405

	59022	Technical Assistance and Business Loan Project			
2012	Fort Belknap RR1 Box 66 Harlem, MT 59526	Mobile Lube and Oil Change Service	$70,000	$94,200	$164,200
2012	Fort Peck Tribes PO Box 1027 Poplar MT 59255	Business Development Specialists	$70,000	$114,000	$184,000
2012	Little Shell PO Box 543 Black Eagle MT 59414	Hill 57 The Little Shell Tribe of Chippewa Indians Visitor/Cultural Center & Property Retention	$70,000	$46,000	$116,000
2012	Northern Cheyenne PO Box 128 Lame Deer MT 59043	Northern Cheyenne Arts & Crafts Center & Land use Planning and Zoning	$70,000	$75,000	$145,000
2012 SUBTOTALS	**$560,000**	**$1,144,605**	**$1,704,605**		

Primary Sector Workforce Training Grant Program

In state fiscal year 2012, the Workforce Training Grant Application Review Committee awarded WTG funds to the following Montana businesses:

Headframe Spirits, Inc.	Butte Silver Bow County	$ 10,000
EMTEQ, Inc.	Great Falls, Cascade County	$225,000
Simms Fishing Products	Bozeman, Gallatin County	$ 22,780
SeaCast of Montana LLC	Butte Silver Bow County	$600,000
Spika Welding & Manufacturing	Lewistown, Fergus County	$ 40,000

Montana Distressed Wood Products Industry Recovery and Stabilization (WPIRS) Program

For calendar year 2012, the WPIRS Program funded the following:

Assisted Entity: Eureka Pellet Mills, Inc.
Project Location: Superior

State WPIRS: $520,000

Job Retention: 26

Project Description: Eureka Pellet Mills, Inc. located in Superior sustained a fire to its facility which caused an interruption in service. The hospital and school in Superior depend on the mill to provide pellets for their heating equipment. With a loan from the State WPIRS program, the mill can begin operating again and retain 26 positions.

Montana Board of Housing

Homeownership Mortgage Revenue Bond Program

During calendar year 2012, MBOH provided 281 loans totaling more than $36,053,183 to homeowners, with an average loan amount of about $128,303. The average income of the homeowners was $45,988.

Mortgage Credit Certificate Program

For calendar year 2012, MBOH provided 83 Mortgage Credit Certificates to homebuyers. The loans totaled $12,998,118 for families with an average household income of $49,333.

Set-aside Homeownership Mortgage Program
(including Disabled Accessible Affordable Homeownership Program to provide affordable, architecturally accessible homes for people with disabilities so they can live independently.)

For calendar year 2012, MBOH provided 10 loans totaling $901,391 to lower income homeowners. The average income of the homeowners was $21,606.

Montana House™

Eleven 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. Another was sold to the Habitat for Humanity of Anaconda. MBOH and the Blackfeet Housing Authority signed an agreement that allows the Housing Authority to produce Montana House™ units for use on the Blackfeet Reservation, providing needed housing units and training students in construction skills, and completed two homes recently sold. The Miles City Community College, located in the eastern part of the state, completed two homes, which were sold locally. The Fort Belknap College has built and sold one home and has completed work on a second home that is for sale.

Risk Sharing, General Obligation Bond, and Conduit Bond Programs

No new projects were funded during the plan year through the Multifamily Risk Sharing, General Obligation, or Conduit Bond programs.

Reverse Annuity Mortgage Loan Program

For calendar year 2012, four RAM loans closed. The program has assisted 193 senior households since it began taking applications.

Housing Montana Fund

For calendar year 2012, there were no TANF loans closed for the single-family assistance program. These loans, done in partnership with NeighborWorks Montana, 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.

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. Once loans pay off, funds are recycled for use in new loans. There were no revolving loans closed for calendar year 2012.

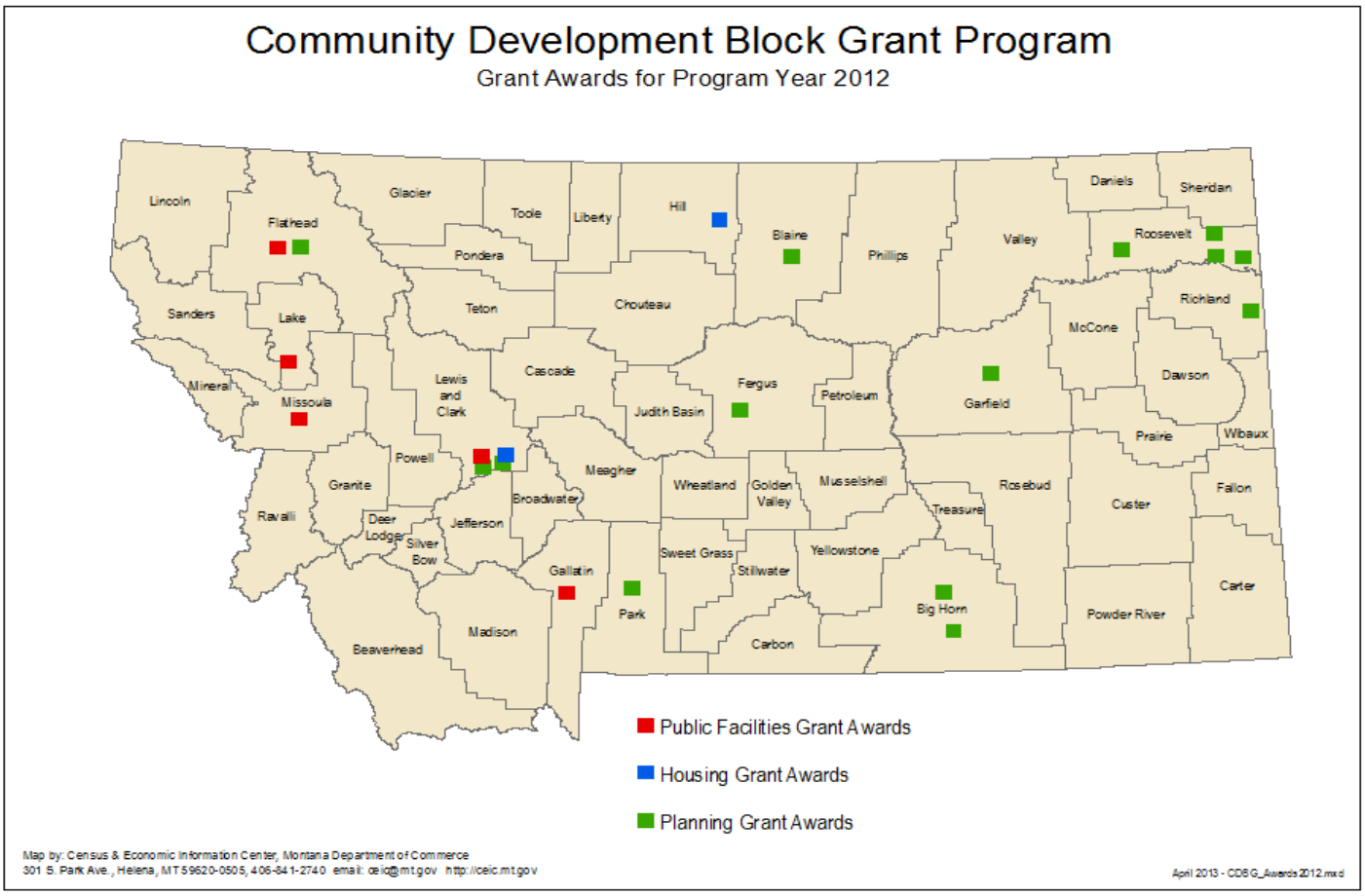
I.B.4 GEOGRAPHIC DISTRIBUTION AND LOCATION OF INVESTMENTS

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. Commerce 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 and HOME, geographic maps have been prepared, in addition to maps showing service areas for other programs.

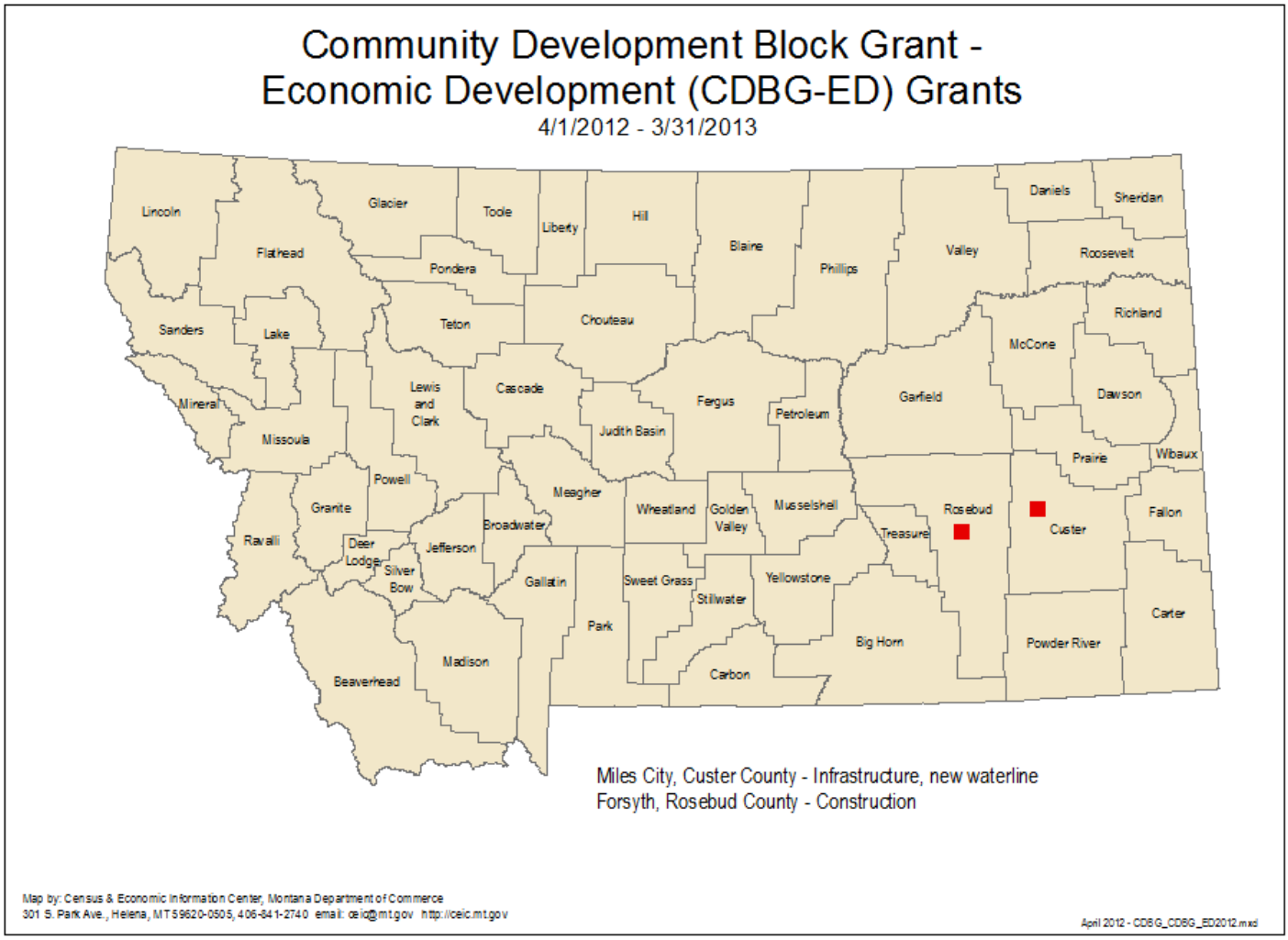
CDBG Public Facilities and Housing Rehabilitation Project and Planning Grant Awards since April 1, 2012



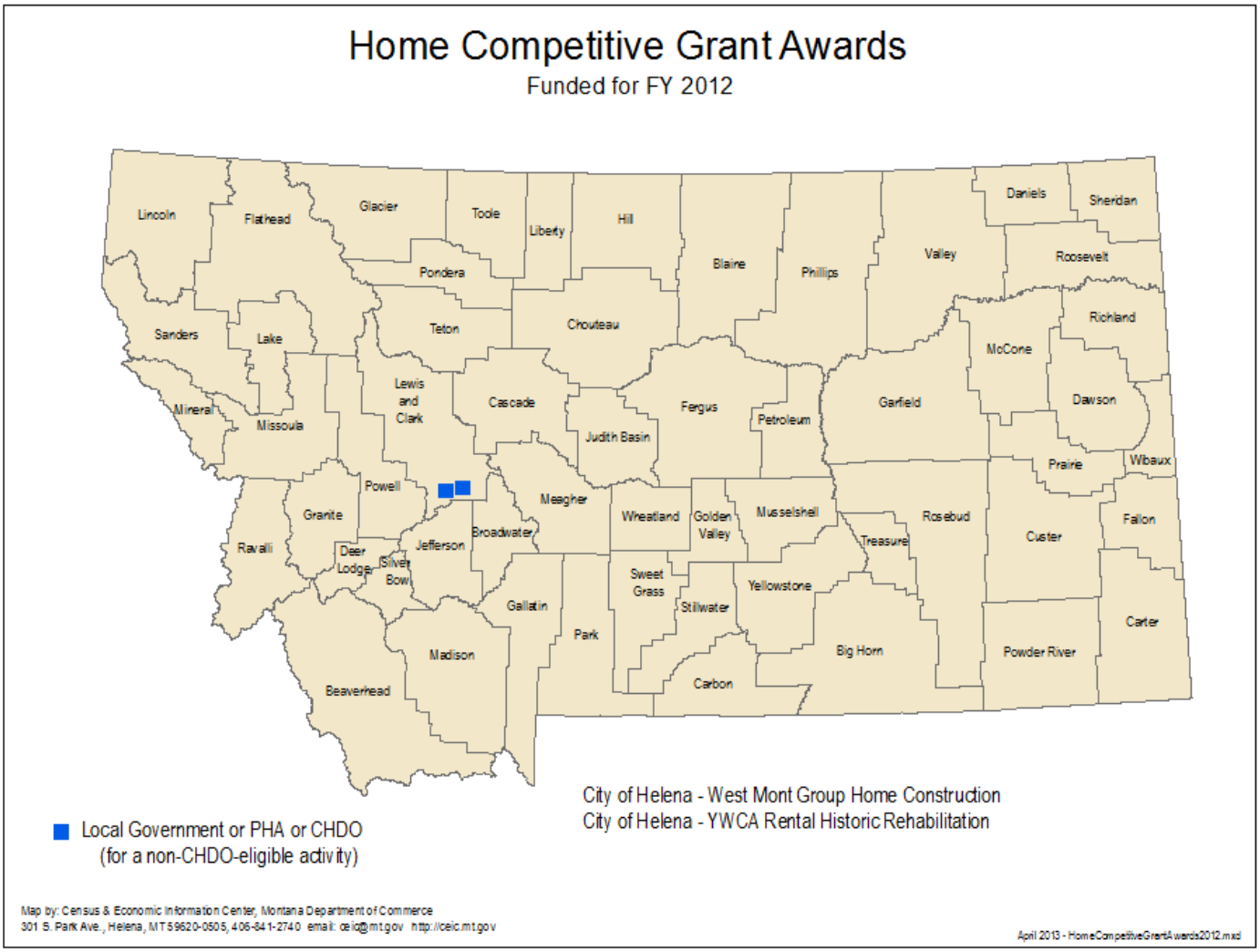
CDBG-R Awards (WPIRS Projects)

There were no CDBG-R WPIRS awards in program year 2012.

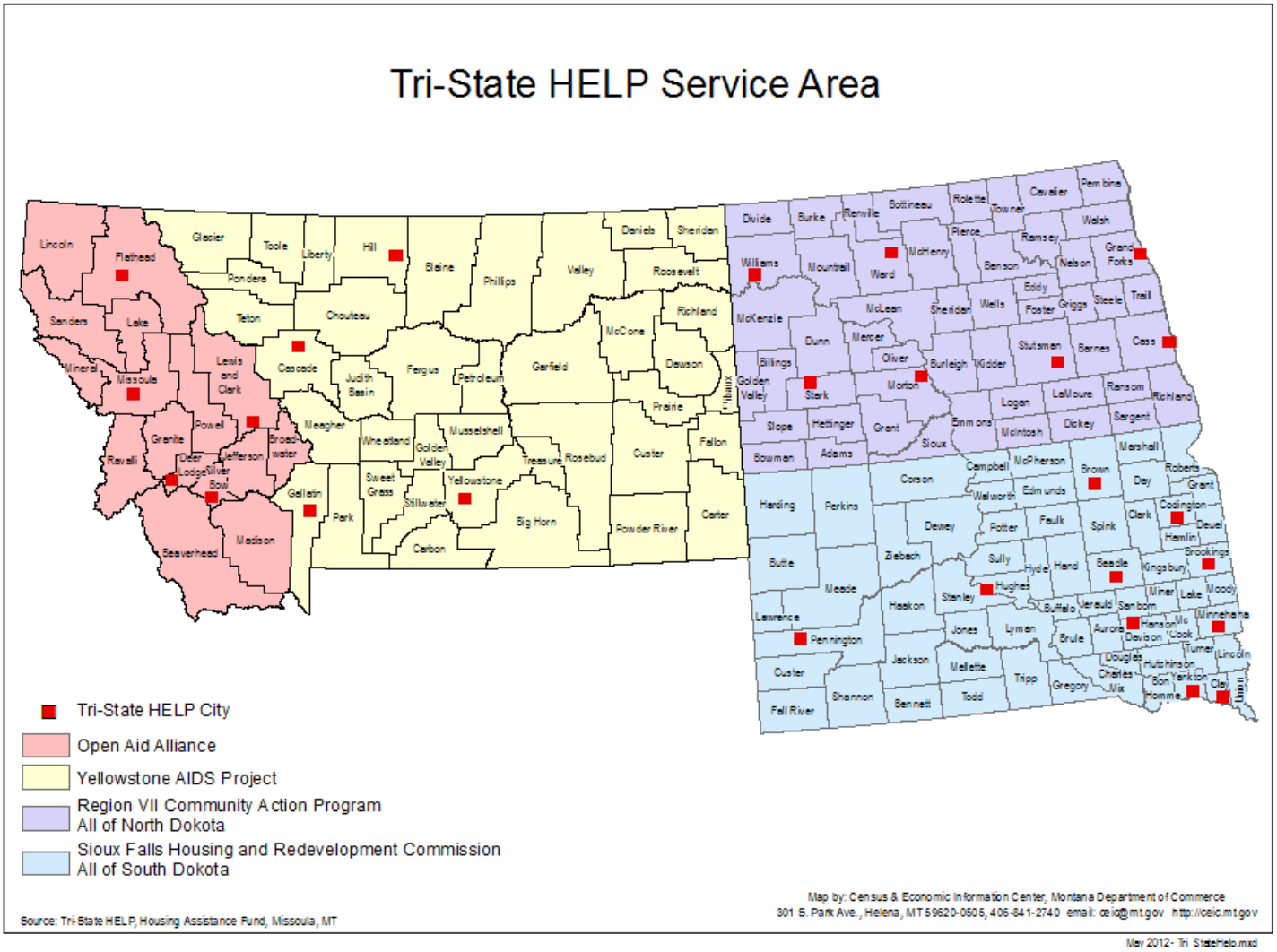
FY 2012 CDBG Economic Development Project Awards



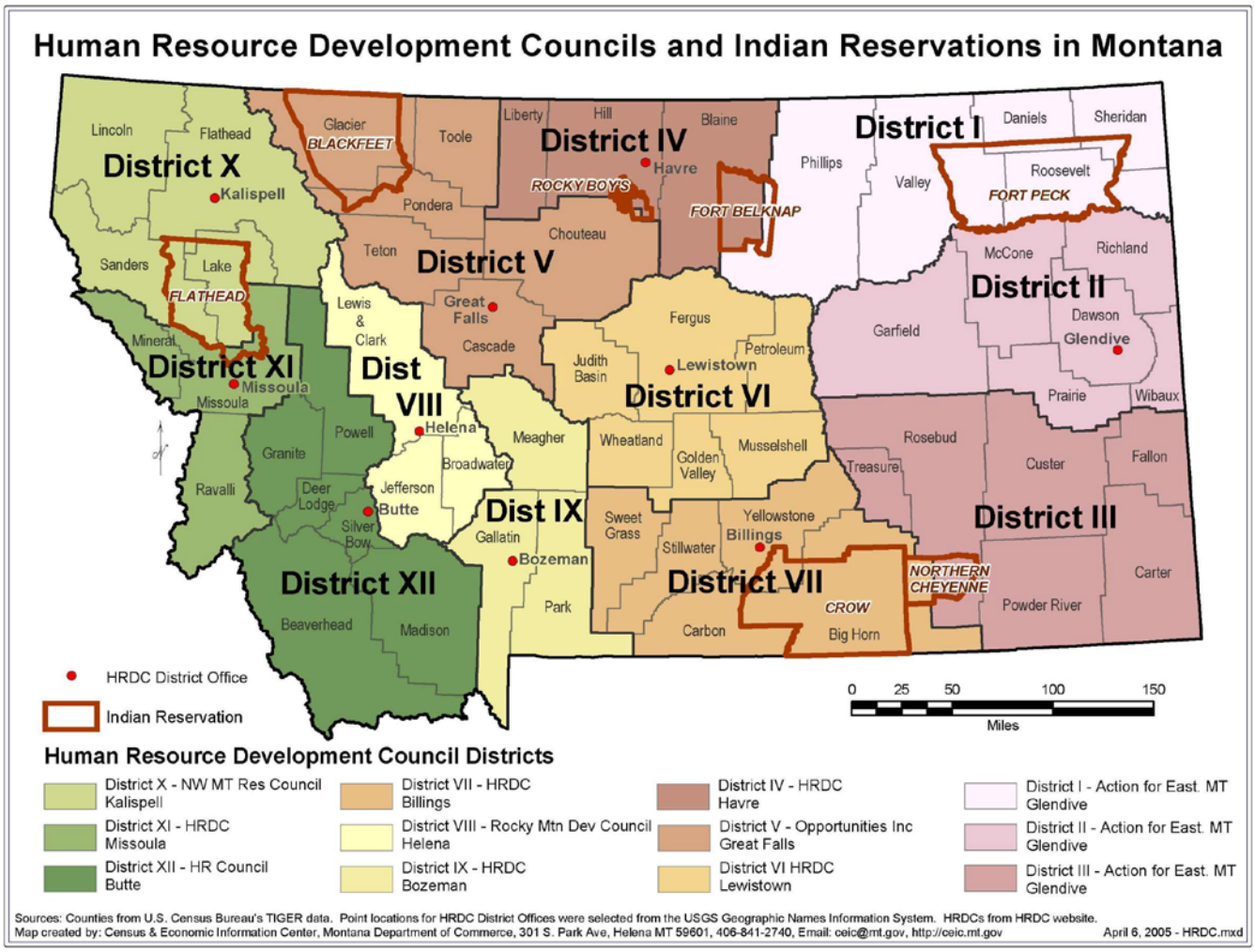
HOME Program FFY 2012 Competitive Awards



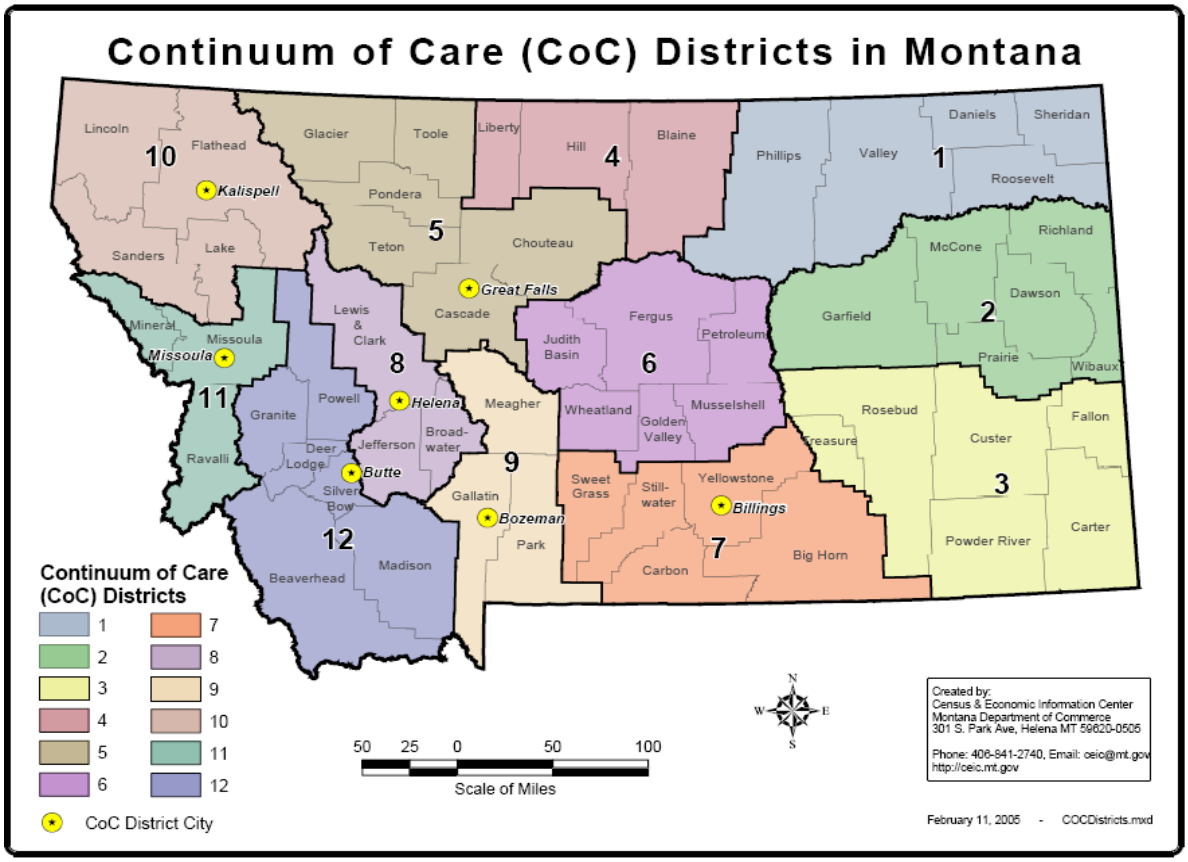
Tri-State HELP Service Area



Human Resource Development Councils and Indian Reservations in Montana



Continuum of Care Districts in Montana



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 grant review committee. The CDBG Public Facilities and Housing applications were received through a competitive application process. The applications were ranked by CDD staff and approved by the Director. Local governments that received grant assistance and assisted businesses followed contractual requirements as agreed upon by Commerce. As stated earlier, according to the method of distribution, CDBG funds were allocated between the Business Resources Division for Economic Development projects, including planning grants, and the Community Development Division for Public Facility and Housing and Neighborhood Renewal projects, including planning grants.

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

In addition, the HOME program allocated approximately 25% of its FFY 2011 HUD allocation, $1,037,057, to the Single Family Noncompetitive program. The funds were divided among four districts of the state according to a formula that considers population

and relative age of housing in relation to the state as a whole and the amount of funds committed to activities in each district for previous two years.

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 85% of the ESG funds the state receives from HUD.

HPRP funds were allocated to the 10 regional HRDCs according to the formula mandated by the Administrative Rules of Montana, which is a ratio of each HRDCs' share of the state's poverty and general population.

I.B.6 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 RD 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 program year, $797,500 of CDBG-ED funds was matched with $ 2,646,668 of other funding; i.e., each CDBG-ED dollar was leveraged by over $ 3.32 in public and private funding. Based on the past five years, CDBG-ED funds have leveraged over 10 times the amount available for awards. On average, over the last five years $ 2,128,823 of CDBG-ED funds were leveraged with $ 20,725,734 in other funds from public and private sources.

The CDBG Public Facilities and Housing categories leverage funds from other local, state and federal grant and loan sources. 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. During the plan year ending March 31, 2013 , CDBG public facility funds leveraged $9,059,128 from other funding sources. CDBG housing funds do not require a match, however, the projects leveraged $450,627 from other funding sources.

HOME funds used for project activities must be matched at 25%. During plan year, the HOME program incurred a match liability of $683,413.33[4], with a total match contributed of $1,867,644. Montana has excess match from prior federal fiscal years totaling

[4] IDIS – PR33, HOME Matching Liability Report

$6,076,999; therefore, the matching requirement has been reduced by the HOME program to 5%.

The total estimated cost of the competitively awarded projects in the plan year, including $2.6 million of HOME funds, was more than $8.7 million, providing more than $2.36 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, Public Health and Human Services required all funds to be matched, with the exception of grantee administration. The total ESG funds expended were $226,205.80 with an equivalent amount of match required to meet the ESG objectives. The ESG program has identified the following match for April 1, 2012 through March 31, 2013[5]:

FFY 2012 HUD EMERGENCY SOLUTIONS GRANTS PROGRAM MATCH BY HRDC										
Eligible Activities	**AEM**	**DIST IV**	**Opp., Inc.**	**DIST VI**	**DIST VII**	**RMDC****	**DIST IX**	**CAP NW MT**	**DIST XI**	**DIST XII**
Shelter Maintenance	$0	$7,499	$0		$19,831	$5,300	$6,736	$10,084		
Homeless Prevention	$0	$0	$13,775		$14,276	$6,849	$26,271	$4,000	$35,000	$35,000
Rapid Re-Housing	$0	$12,960	$6,852	$0	$8,090	$1,239	$15,000	$3,410	$30,000	3,601
Other	**0**	$10,138	$1,668		$903			$2,500		
	$0	**$30,597**	**$22,295**	**$0**	**$43,100**	**$13,388**	**$48,007**	**$19,934**	**$65,000**	**$38,601**

April 1, 2012 – March 31,, 2013 matching resources by subgrantee are:

- Action for Eastern Montana (AEM): No ESG funds expended
- District IV HRDC: United Way of Hill County, Unrestricted funds, and volunteer hours
- Opportunities, Inc. (Opp, Inc.): United Way, and Community Service Block Grant Funds
- District VI HRDC: Program Participants
- District VII HRDC: Yellowstone County funding, client matches, and General Relief Fund
- Rocky Mountain Development Council (RMDC): YWCA of Helena
- District IX HRDC: Private foundations, United Way FEMA-EFSP, and community donation

[5] The ESG contract year with its subgrantees runs from May 1 to April 30; some numbers reported are preliminary numbers

- Community Action Partnerships of Northwest Montana (CAP NW MT), formerly Northwest Montana Human Resources: Subgrantees, United Way, local donations, clients, and agency funds
- District XI HRC: United Way, local donations, Missoula County, and volunteers
- District XII HRDC: Butte Silver Bow County

I.B.7 PROJECT MONITORING

HOME Program

HOME staff conducts monitoring visits to each project to determine compliance with housing codes and applicable HUD regulations and Commerce 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. Following the monitoring visit, staff issues a formal letter to the grantee reporting on the monitoring visit, noting any “recommendations”, "concerns", "questions of performance", or "findings" as may be applicable. The grantee must to respond to any questions of performance or findings. No unresolved findings were issued. After evaluation by HOME staff, certain, lower risk Grantees may be subject to a “desk audit”.

Homebuyer and rental grantees provide annual certifications to the HOME program. 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, rental projects received on-site visits. On-site visits are scheduled 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.

CDBG Program

CDBG projects received an on-site monitoring visit during the plan year. A basic requirement of the Montana CDBG program—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 quarterly 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. Public Health and Human Services 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.

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.

Commerce 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, Commerce lacks the authority to solve these problems alone. The

task of eliminating the impediments to fair housing rests on the shoulders of all Montanans.

Analysis of Impediments

The Analysis of Impediments for the State of Montana has uncovered several issues that can be considered barriers to affirmatively furthering fair housing and, consequently, impediments to fair housing choice.
These are as follows:

- Lack of knowledge of fair housing and fair housing law;
- Lack of sufficient fair housing outreach and education;
- Ineffective use of current system capacity;
- Lack of effective referral system;
- Confusion about fair housing, affordable housing and landlord/tenant issues;
- Disproportionately high denial rates for racial and ethnic minorities;
- Denial rates disproportionately higher in lower-income areas, especially, American Indian lands;
- Lack of an organization receiving fair housing funding from HUD for outreach education, testing or enforcement.

In its latest Analysis of Impediments[6], Commerce has identified actions that will be taken in response to the identified impediments. The actions are presented by approach and include education and coordination objectives, as follows:

1. Education Objectives

- Partner with the Montana Department of Labor and Industry, Human Rights Bureau to:
  - Expand outreach and education of fair housing law to improve public understanding,
  - Design, promote and provide fair housing education to improve and enhance understanding of affirmatively furthering fair housing for specific groups including, but not limited, to:
    - Consumers, including Native Americans and Hispanics
    - Housing providers, including program managers, builders, architects and unregulated property managers
    - Real estate agents and lender/bankers
    - General citizenry throughout the state, especially people in rural areas of the state

[6] *2009 Analysis of Impediments to Fair Housing Choice*; Western Economic Services, LLC; December 2009; **http://housing.mt.gov/content/CP/docs/CPDocsAndRpts/CPAI10.pdf**

    - Units of local government, including zoning and planning personnel, building code inspectors, and elected officials to communicate the obligations of affirmatively furthering fair housing and, common public administrative procedures used to affirmatively further fair housing
  - Educate housing developers, builders and other housing providers about accessibility and visit-ability
- Explore the feasibility of partnering with the Montana Financial Education Coalition to provide homebuyer training at the secondary education level,
- Explore ways to enhance current first-time homebuyer programs, including communicating how credit works, how to avoid credit problems, how to identify predatory lending and the attributes of a predatory loan,
- Continue to publish and distribute fair housing educational materials and guides.

2. Coordination Objectives

- Through the Commerce's Housing Coordinating Team, establish a fair housing subcommittee, which would have an advisory group that includes landlords, bankers, attorneys, Realtors®, and others, to:
  - Review fair housing efforts and develop methods to provide better outreach and education that meets the needs of these groups,
  - Research best practices for affirmatively furthering fair housing by units of local government, particularly zoning and land use practices and building codes,
  - Develop a list of objectives to recommend to communities that have received, or may receive, HUD-funded housing and community development programs,
  - Review the feasibility of units of local government adopting fair housing ordinances and coordinating these ordinances with the Montana Department of Labor and Industry and Human Rights Bureau.
- Increase the Commerce's role as an information clearinghouse by including additional information on the Housing Division web site including Montana landlord/tenant law, federal and Montana fair housing laws, and Americans with Disabilities Act and Section 504 design and construction standards.
- Explore a partnership with Montana Department of Labor and Industry, Building Codes Bureau to develop methods to educate builders, developers, inspectors, planners, and architects about accessible housing design and construction requirements.
- Support the efforts of the Montana Department of Labor and Industry, Human Rights Bureau to seek substantially equivalent status with HUD.
- Coordinate educational efforts with the HUD and the Montana Department of Labor and Industry and Human Rights Bureau.

Other Efforts and Outreach Activities

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

- Commerce's Housing Coordinating Team has established a Fair Housing Advisory Subcommittee that meets several times a year and currently includes representatives from the following associations: Lenders, Real Estate Professionals, Property Management Professionals, Program Compliance Professionals, Site Managers, Property Owners, Landlords, Non-Profit Housing Organizations, and Developers of Affordable Housing. This group works collaboratively to expand knowledge of Fair Housing, using the results from the Analysis of Impediments to form immediate priorities, as well as long term goals.
- An agenda item for the biennial Montana Housing Partnership Conference, held in June 2010, was Fair Housing Continuing Education Training. Presented by James Whiteside, an Equal Opportunity Specialist for HUD, the training covered fair housing laws and regulations, fair housing protections and prohibitions, design and construction requirements, etc. The session was attended by housing professionals from around the state, including lenders, real estate professionals, property management professionals, program compliance professionals, site managers, property owners, landlords, nonprofit housing organizations, and developers of affordable housing.
- The Montana Board of Housing and Housing Division 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/content/FAR/docs/HousingRightsTable.pdf**
    - 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 Commerce, 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.

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[7] *Montana Housing Resource Directory*, Montana Department of Commerce, September 2011; **http://housing.mt.gov/content/FAR/docs/HousingResourceDirectory.pdf**

[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. MDOC assumes no liability for the content of information provided in the directory or the content of links listed in the directory.

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').

- Commerce 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 web site: **http://housing.mt.gov/content/CP/docs/CPDocsAndRpts/CPAI10.pdf**
- Commerce provides brochures and posters distributed by the Montana Department of Labor and Industry Human Rights Bureau to grantees and as requested by individuals and organizations. Commerce also makes the brochures and posters available at workshops and other events. The brochures are also available on HRB's website:**http://erd.dli.mt.gov/human-rights/montana-human-rights-laws/housing-discrimination.html**
- 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 recipients are required to show efforts to further fair housing, and each of the programs' staffs monitor recipients for compliance.

Native American Tribal Progress towards Impediments

- Montana has seven Indian tribes. The State provides funding for the Indian Country Economic Development (ICED) Program, State Tribal Economic Development Commission (STED), and the tribal Entrepreneur Program. With the assistance of these state-funded programs, and efforts generated within the tribes, steps are being take to address impediments to fair housing and economic development. A summary of some targeted efforts to assist tribal members is described below. Establishing credit, credit counseling, and business ownership are all efforts to build wealth and home ownership.

- **LEGAL/FINANCIAL INFRASTRUCTURE DEVELOPMENT:** The ICED Program and the STED Commission have worked with tribal governments and the Federal Reserve Minneapolis Branch of Community Development to assist tribes in accessing the Uniform Law Commission and its resources to enact the Tribal Model Secured Transactions Act and Uniform Commercial Codes (UCC). Two tribal governments, the Crow Nation and the Chippewa Cree Tribe, have enacted Tribal Secured Transactions Acts and developed lien filing systems with the Montana Secretary of State's Office to perfect security interest in collateralizable assets. This

legal/financial infrastructure development addresses business finance risk barriers by allowing for a greater uniformity in financial transactions in these tribal communities, thus encouraging greater business development activity in these areas.

- **PHYSICAL INFRASTRUCTURE DEVELOPMENT:** ICED funds have been used by some tribal governments (Confederated Salish & Kootenai Tribes, Northern Cheyenne, and Blackfeet) to identify, map and plan for commercial, residential, and industrial zoning within their communities, as well as commercial property development.

- **NATIVE SMALL BUSINESS ASSISTANCE:**

  Tribal Governments Re-granting/Lending to Small Businesses-- The ICED program has provided economic development funding directly to several tribal governments which have re-granted or loaned the funds to 77 start-up or expanding Native-owned businesses in their communities:

  - Blackfeet Tribe has utilized ICED funding to support 27 small businesses
  - Confederated Salish & Kootenai Tribes has used ICED funding to support 26 small businesses
  - The Fort Peck Assiniboine & Sioux Tribes have used ICED funding to support five (5) small businesses
  - The Crow Tribe has provided loans through their Apsáalooke Nation Revolving Loan Fund program to 19 small businesses. The Crow Tribe has also provided significant business technical assistance throughout the reservation and is establishing a credit coaching/counseling program to offer tribal members.

  Montana Indian Equity Fund—The ICED program has funded 91 tribal member-owned small businesses since 2007. Current funding mechanisms fund two small businesses per reservation, two for the state recognized Little Shell Tribe of Chippewa Indians, and two at-large positions for a total of 18 grants per year.

  Indian Entrepreneur Technical Assistance—Another section of ICED funding is used to provide business technical assistance and training to each of the reservations and for members of the Little Shell Tribe of Chippewa Indians. Six hundred and sixty seven (667) tribal members have received business technical assistance or training since 2007. Current FY13 training includes *Profit Mastery*® business finance training.

  Since 2006, $4.4 million in state funds have been invested in ICED tribal activities, which have been matched by tribal governments and tribal businesses with over $25 million in in-kind and matching funds.

- **INTER- AND INTRA- AGENCY COLLABORATION FOR TRIBAL COMMUNITIES:**

  The CDBG Program, Treasure State Endowment Program, Coal Board, and Business Resources Division have partnered with the Montana Department of Natural Resources and Conservation (DNRC), the Department of Administration, and the Governor's Office to address the critical infrastructure condition in the Town of Lodge Grass. Lodge Grass is a fully incorporated town of 500, but is wholly enclosed within the contiguous boundaries of the Crow Reservation.

  Lodge Grass provides water, wastewater, and solid waste services to an additional 90 tribal housing units immediately adjacent to the town. However, the tax base to support the ongoing O&M and capital improvements to the system are severely limited. The above-mentioned state agencies and the Town of Lodge Grass have partnered with Indian Health Service, USDARural Development, EPA, the Crow Housing Authority, rural water technical assistance entities, and the Crow Tribe to address the critical infrastructure needs of the town as well as their financial enterprise capacity.

  - The Town of Lodge Grass has utilized state CDBG planning funds to institute a financial accounting system that brought them into compliance with state and federal requirements and is currently developing a growth policy, capital improvements plans, and capital management plan that takes into consideration the additional service to the adjacent Johnny Wilson Tribal Housing Complex.
  - A wastewater Preliminary Engineering Report was procured with the assistance of DNRC, USDA-RD, Coal Board, Bighorn County, and ICED funding.
  - The Town is currently seeking construction funding from state and federal resources for a wastewater project estimated at $3.7 million.

Within the constraints of our budget and staff resources, as well as our obligation to document compliance with numerous other federal laws and regulations, MDOC has demonstrated strong and sincere efforts regarding 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 Qualified Allocation Plan for the Low Income Housing Tax Credit program includes points for projects that targeted 40% AMI units. Of the six projects receiving

allocation credits in 2012, there are 17 units targeted for 40% AMI. A total of 157 units are being built.

HOME Program[9]: Of the renters assisted with HOME funds, more than 88% 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: nearly 55% of the renters assisted with HOME funds in Montana have incomes below 30% of AMI (compared to the national average of 37.95%). These numbers consistently rank Montana in the top ten among the 51 state Participating Jurisdictions. Minority households occupied 11% of rental units, in line with Montana's total minority population.

CDBG: According to Integrated Disbursement and Information System (IDIS) data, the Montana CDBG program reported serving households with some type of housing assistance including rental housing, homebuyer assistance, and homeowner rehabilitation during the period April 1, 2011 through March 31, 2012[10]. Of the persons and households assisted during the plan year, 22 had incomes at or below 80% of area median, as required by regulation.

Set-aside Homeownership Mortgage Program (including Disabled Accessible Affordable Homeownership Program to provide affordable, architecturally accessible homes for people with disabilities so they can live independently.)

For calendar year 2012, MBOH provided 10 loans totaling $901,391 to lower income homeowners. The average income of the homeowners was $21,606.

First-time Homebuyer First Mortgage Program for Borrowers with Downpayment Assistance: 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.

Habitat for Humanity Mortgage Reinvestment Program: MBOH previously worked with representatives of Habitat for Humanity Chapters in Montana to design and implement a "wrap-around" loan program that would allow MBOH to finance Habitat homes with loans at 2% while maintaining a 0% interest rate for the borrower on the total loan amount. MBOH can no longer afford to make loans at 0%, and Habitat Chapters recognize that getting the present-value of 30 years of mortgage payments at closing is reasonable.

[9] HUD SNAPSHOT of HOME Program Performance--As of 3/31/12 (State Participating Jurisdictions, from 1992-3/31/12): **www.hud.gov/offices/cpd/affordablehousing/programs/home/snapshot/**

[10] IDIS report CO4PR23, Program Year 2010 Summary of Accomplishments

Lot Refinance Program: In July 2002, 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.

Rural Housing Loan Leveraging Program: Funds from USDA Rural Development are leveraged in this program with MBOH purchasing a 30-year fixed-rate first mortgage for no more than half of the purchase. MBOH no longer required mortgage insurance on its first mortgage, eliminating the payment of mortgage insurance on the first mortgage. Board of Housing does require that all borrowers take a Board of Housing-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 USDA RD's more stringent income limit requirements.

Montana House™: Montana House™: Eleven 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. Another was sold to the Habitat for Humanity of Anaconda. MBOH and the Blackfeet Housing Authority signed an agreement that allows the Housing Authority to produce Montana House™ units for use on the Blackfeet Reservation, providing needed housing units and training students in construction skills, and completed two homes recently sold. The Miles City Community College, located in the eastern part of the state, completed two homes, which were sold locally. The Fort Belknap College has built and sold one home and has completed work on a second home that is for sale.

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.

Montana American Indian Homeownership Task Force: During the plan year, MBOH continued its successful partnership with the Montana American Indian Homeownership Task Force in attending housing fairs and planning meetings with tribal representatives. 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 2011, MBOH also attended meetings of the newly formed Montana/Wyoming Coalition of Indian Housing Authorities.

Warm Hearts,Warm Homes : Warm Hearts, Warm Homes was designed to assist in making information available to Montanans to help them identify all programs that could benefit them. A program objective was to enlist "Neighbor to Neighbor" community involvement.

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. In this performance period, the HRDC's worked in conjunction with the Montana Conservation Corps to provide low cost energy conservation measures to homes that are not scheduled for intensive weatherization. The Conservation Corp installed lighting, water and infiltration measures to help lower energy consumption. Funding was provided through the Department of Public Health and Human Services for those efforts.

SECTION E – SPECIAL POPULATIONS

I.E.1 MONTANA CONTINUUM OF CARE COALITION FOR THE HOMELESS

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 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.

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. 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 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 statewide Point-in-Time survey of homelessness has now been conducted for nine consecutive years using the same protocol and a uniform survey instrument. Survey dates are chosen to comply with the

national HUD coordinated survey that occurs during the last ten days in January. The 2013 survey took place on January 24 and was sponsored by the Montana Continuum of Care Coalition, the Montana Department of Public Health and Human Services, the Montana HRDC Association (community action agencies).

The survey is implemented statewide using the 12 HRDC districts (see map on page 55). 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. The districts and their anchor cities are:

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

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 is challenging and while no homeless survey can meet rigorous scientific standards (lacking a known universe and faced with a number of uncontrolled variables), the survey nonetheless provides consistent data and a clear picture of homeless characteristics and demographics necessary for effective planning.

The number of homeless families and persons in families (defined as having at least one adult and one child 17 years of age or younger) have shown only slight decreases over the past five years. The number of adult individuals, however, continues to rise rather dramatically. While the annual average increase in homeless individuals over the past five years has been 16% the rate has moderated the past two years.

Using the most recent four-year average, just under half (46%) of Montana's homeless are found in the state's two largest cities of Billings and Missoula and just over three-fourths (78%) of all homeless are concentrated in only four cities; Missoula, Billings, Helena Kalispell.

Despite a current inventory of 777 emergency shelter beds, 685 transitional housing beds and 624 permanent supportive housing beds in the state, 777 persons were still without shelter on the evening of January 24, 2013.

To address this need, the Montana Continuum of Care Coalition is formulating a strategic plan which will consider new strategies, including; 1) implementation of community-based coordinated assessment systems that can more efficiently utilize existing bed resources, 2) reallocation of current McKinney-Vento grant funds, including the Emergency Solutions Grant and CoC grants for rapid re-housing strategies and 3) shortening lengths of stay in current programs in order to accommodate more homeless persons.

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.

- In plan year 2012 the CDBG program awarded $450,000 to Lewis and Clark County to rehabilitate the YWCA Women's Shelter in Helena. In combination with other funding sources, CDBG will participate in the revitalization of this shelter which currently provides 32 apartments for homeless women and young children. The total project cost is estimated to exceed three million dollars. CDBG also awarded $450,000 to Missoula County on behalf of the Tom Roy Youth Home to construct a new housing facility that will serve approximately 25 at risk youth annually.
- Funds have also been awarded in previous years for activities to address homelessness, including construction of transitional housing and tenant based rental assistance.
- Montana's **Homelessness Prevention and Rapid Re-Housing Program** was approved by HUD on July 16, 2009. The DPHHS allocated the funds totaling $3.7 million to the state's HRDCs based upon a formula mandated by the Administrative Rules of Montana, which is a ratio of each HRDCs' share of the state's poverty and general population. The program helps families who are experiencing homelessness to be quickly re-housed and stabilized and assists families that are on the verge of homelessness and target individuals and families who would be homeless but for this assistance. The funds can be used for a variety of assistance, including short-term or medium-term rental assistance, deposits, utility payment assistance, moving cost assistance, motel/hotel assistance, and housing relocation and stabilization services, including such activities as referrals, housing search, credit counseling and case management. The funds cannot be used for mortgage assistance. The funding for this program will be entirely spent in May 2012.
- **(**Commerce **Housing Assistance Bureau:** In partnership with Veterans Affairs, Homeless Veteran Program, Commerce has 135 VASH vouchers to assist homeless veterans and their families. Currently, 135 veterans are housed or are in the process of being housed in Missoula, Helena, Great Falls, Bozeman, Butte, and surrounding areas. The ultimate goal of the program is to house homeless veterans statewide.

Housing activities for persons that are homeless, with or without links to supportive services, are eligible through the **HOME program**. The HOME Program awarded $750,000 to Lewis & Clark County, working with the Helena YWCA, to rehabilitate the historic YWCA building to improve living conditions in a 25-unit transitional housing program.

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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 disabilities, with or without links to supportive services, are eligible through the **HOME program**. The HOME program awarded $200,000 to the City of Helena in conjunction with West Mont to construct a 6-bed group home for adults with significant developmental and physical disabilities.
- During the FFY 2012 the **CDBG program** application cycle, the City of Helena received $450,000 in CDBG Housing funds to construct a six-unit residential group home for adults with a disability. Once completed this project will help the community address needs and choices of persons with disabilities.
- Since the inception of the program in 2005, the **Commerce Section 8 Homeownership Voucher program** has assisted 58 persons, 36 of whom are disabled, with mortgage payments. The mortgage products available through MBOH, USDA RD, and Fannie Mae were the primary first mortgage sources for these homebuyers. MDOC has coordinated the HOME down payment assistance as a means for the disabled population to move into homeownership.
- The **Montana Board of Housing 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 in Montana.

- The RAM program enables senior Montanans aged 68 and older 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. Loans of $15,000 to $150,000 are available at a 5% interest rate, based on 80% of the FHA determined property value. Four RAM loans closed during calendar year 2012. The program has assisted 193 senior households since it began taking applications. The loans do not require repayment as long as the homeowner remains in the home.
- During Plan Year 2012, Hill County received $450,000 in CDBG Housing funds to complete activities on behalf of the Eagles Manor senior housing complex in Havre to rehabilitate the roof and replace an existing boiler.

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, Commerce created the **Housing Coordinating Team** (HCT), a group of representatives from the various state and federal housing programs and nonprofit organizations that finance, regulate or provide housing related services. 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 (W_2ASACT), 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
- Improve service delivery to funding recipients and
- Improve technical assistance to communities for assessing and addressing housing needs

Commerce's policy is to continue to refine and enhance application guidelines, forms, and workshops and the delivery of technical assistance to those in need of affordable housing in their community. To make the programs easier to access, the staff looks at streamlining documentation requirements each year. Commerce 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 six 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. Now that the housing locator service, **MTHousingSearch.com**, is up and running, this working group is being restructured

to include activities to help address impediments identified in the 2010-2015 Analysis of Impediments.

- 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 published a "White Paper" on Montana's housing needs in 2008, and an updated Executive Summary in the winter of 2010. The workgroup has subsequently decided to update and publish this report every year, and worked with the Montana Department of Revenue (MDOR) to obtain access to information from its appraisal data, and from realty transfer data. The working group is updating the original "white paper" with current data and will project housing needs for 2025 and 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 plan is to update this document on a regular basis so that it remains accurate and useful. This document has been successful in educating the public about the true problems facing homebuyers, renters, seniors, planners, policy makers and affordable housing providers, etc.
- The newest and sixth workgroup has been formed to study ways to streamline and simplify the Uniform Application (Uni-App) for Montana Housing Loan, Grant & Tax Credit programs. The Uni-App was completed in 1998 and is used by the housing programs. Applicants have used the Uni-App for several years and the HCT re-examines it periodically to determine if any revisions are needed. A survey has been designed and distributed to all recent users and potential users of the Uni-App to solicit input from those who use this application. The results will be used to make improvements.

For more information on the HCT, go to:
http://housing.mt.gov/FAR/HCT/default.mcpx

The annual tax credit **Qualified Allocation Plan** information gathering meeting is held annually to discuss the QAP and made recommendations to changes for the next year's QAP. These recommendations are brought forward at a meeting and presented to MBOH board members for their consideration when making changes to the QAP.

MBOH staff from the LIHTC Compliance program hold annual compliance training for all interested owners/managers of tax credit projects. Annual compliance training is

required. 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.

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 (NWMT), 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 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, NWMT helps train counselors who work with first-time homebuyers to understand the process and commitment needed to purchase a home, and provide second mortgages for down payments and closing costs. Beginning in April of 2009, NWMT and the MBOH began receiving grant funds from the National Foreclosure Mitigation Counseling (NFMC) program to help combat foreclosures in Montana. During this time, NeighborWorks and NFMC provided scholarships that enabled the state to maintain a roster of 20 foreclosure counselors in various locations around the state.

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 and grant applications totaled more than $2 million in the plan year ended Mary 31, 2013. Since the inception of Montana's HOME Program, 26.7% of HOME funds have been committed to CHDOs.[11] Current certified CHDOs include:

- ✓ Action for Eastern Montana, Glendive
- ✓ A.W.A.R.E., Inc., Anaconda
- ✓ BSW, Inc., Butte
- ✓ Garden City CHDO, Missoula
- ✓ 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
- ✓ Mountain Home Montana, Inc.
- ✓ National Affordable Housing Network, Butte
- ✓ NeighborWorks Montana, Great Falls
- ✓ North Missoula Community Development Corp., Missoula
- ✓ Northwest Montana Human Resources, Inc., (Community Action Partnership of NW MT) Kalispell
- ✓ Opportunities, Inc., Great Falls
- ✓ Resource Support and Development, Inc., Billings
- ✓ Rocky Mountain Development Council, Inc., Helena

The plan year ending March 31, 2013 represented more of a continuation of local development corporations who function as the sub recipients 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.

Commerce 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

[11] IDIS PR 27 report, Status of HOME Grants – Montana; April 2, 2012

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 Commerce 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 (BRD): the network of Small Business Development Centers, which are jointly funded by Commerce and the U.S. Small Business Administration, Business Location and Recruitment, the International Trade Office, Census and Economic Information Center, MicroBusiness Finance, and outside the division, local banking institutions, community finance entities, the Montana Board of Investments programs and the Governor's Office of Economic Development.

BRD staff continues to participate at meetings and workshops with local development corporations, the federal EDA representative, USDA RD 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 participates 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. Commerce 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.

Commerce 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 Commerce. 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 $100,000 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.

Commerce 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 continues its participation in the Water, Wastewater and Solid Waste Action Coordination Team (W_2ASACT). W_2ASACT is a group of professionals from state and federal governmental agencies, nonprofit organizations, for-profit organizations and engineering professionals that finance, standardize, and provide technical assistance for infrastructure, principally drinking water and wastewater systems. Meeting quarterly, W_2ASACT explores and coordinates a wide range of activities linked to improving the health and safety of infrastructure in local governments and unincorporated communities across Montana. W_2ASACT regularly sponsors and coordinates webinars and on-site public presentations 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 infrastructure projects. W_2ASACT subcommittees address issues of community planning, coordination of environmental regulations, and standardizing bidding processes 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 W_2ASACT agencies. Additionally, the CDBG program participated in joint public facility application workshops in cooperation with the Treasure State Endowment Program, MDNRC Renewable Resources Grant program, USDA

Rural Development, INTERCAP, and MDEQ State Revolving Fund. These activities were carried out in cooperation with W_2ASACT.

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/content/About/Section8/docs/hsgapp.pdf**. Households can apply online for the Section 8 waiting list from any location that has internet access, including public libraries, public assistance offices, etc. Applicants can also check their position on the waiting list online at **www.waitlistcheck.com**.

The Uniform Application (Uni-App) for Montana Housing Loan, Grant & Tax Credit programs, completed in 1998, is now used by the housing programs and the HCT is currently updating it. The HCT continues to work on developing common compliance monitoring forms and procedures.

As discussed in I.D.1, Commerce 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 Uni-App for housing programs, and joint workshops.

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

On April 22, 2008, EPA issued Renovation, Repair and Painting (RRP) Rule, 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, childcare facilities, and schools built before 1978 must be certified and must follow specific work practices to prevent lead contamination.

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[12] 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 April 22, 2010, the EPA rule affected 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 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.[13] Additional information and requirements for renovators is available on HUD's web site.[14]

The HOME program continues to disseminate information about the rules of lead base paint.

Commerce 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. For projects assisted with HOME 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 program presents information on the LBP regulations and lead-safe work practices at workshops.

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.

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[12] Available at: **http://www.hud.gov/offices/lead/library/lead/renovaterightbrochure.pdf**

[13] Go to: **http://www.hud.gov/offices/lead/enforcement/lshr_rrp_changes.cfm**

[14] Go to: **http://www.hud.gov/offices/lead/enforcement/lshr_renovators.cfm**.

Montana is committed to using 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.[15] The FAIM project serves all political subdivisions in the state. In Montana, three tribes, the Confederated Salish and Kootenai on the Flathead Reservation, the Fort Belknap Indian Community, and the Chippewa Cree at Rocky Boy's, have chosen to implement a tribal TANF plan. The TANF cash assistance program provides job readiness preparation, supportive services, and case management; vigorously pursues child support; and assists in the development of community resources as a means to help families reach self-support.

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

Services funded with TANF funds include:

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

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

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

Additionally, on May 17, 2006, the governor announced a $1.5 million demonstration project aimed at improving the economic security of low-income families. The project is funded with part of a "high-performance bonus" the state received for its success in

[15] 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: **http://www.dphhs.mt.gov/hcsd/**

facilitating employment for people who get cash assistance through the TANF program. The project is administered by Public Health and Human Services and helps 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. Public Health and Human Services 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, 2012 through March 31, 2013. 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.

In program year 2012, the Montana **HOME program** aided 103 households.

Home Unit Completions by Percent of Area Median Income*						
Activity Type	0% - 30%	31% - 50%	51% - 60%	61% - 80%	**Total 0% - 60%**	**Total 0% - 80%**
Rentals	22	10	0	0	**32**	**32**
TBRA Families	0	0	0	0	**0**	**0**
First Time Homebuyers	3	13	7	18	**23**	**41**
Existing Homeowners						
Total, Rentals and TBRA	22	10	0	0	**32**	**32**
Total, Homebuyers and Homeowners	3	13	7	18	**23**	**41**
Grand Total	**25**	**23**	**7**	**18**	**23**	**73**
* IDIS report PR23 (6A of 7) - HOME Unit Completions by Percent of Area Median Income for program year 2012						

According to IDIS, the Montana **CDBG program** reported serving 58 households with some type of housing assistance including rental housing, homebuyer assistance, and homeowner rehabilitation during the period April 1, 2012 through March 31, 2013. Of the persons and households receiving housing assistance during the plan year, 58 had incomes at or below 80% of AMI. [16]

CDBG Housing Beneficiaries by Income Category*			
Income Levels	**Owner-Occupied**	**Renter-Occupied**	**Total**
Extremely Low (<=30%)	**4**	6	**10**
Low (>30% and <=50%)	**6**	30	**36**
Mod (>50% and <=80%)	**5**	7	**12**
Total Low Mod	**15**	43	**58**
Non Low Mod (>80%)	**0**		
Total Beneficiaries	**15**	**43**	**58**
* IDIS report PR23-CDBG Beneficiaries by Income Category for program year 2011			

The Commerce **Tenant Based Section 8** Housing Assistance program reported 3,500 households received assistance, compared to 3,571 in the previous year.

Number Receiving Assistance		
Current Year (4/1/11-3-31/12)	**Household Type**	Previous Year (4/1/10-3-31/11)
754	Identified as having an elderly head of household	**453**
1,855	Single-person households	**1,460**
1,693	Small, related, non-elderly households (2-4 people)	**1,385**
329	Large, related non-elderly households (5+ people)	**249**

[16] This number may be revised after submittal of this report to HUD.

Number Receiving Assistance		
Current Year (4/1/11-3-31/12)	**Household Type**	Previous Year (4/1/10-3-31/11)
3,410	Income level reported at 50% or less of AMI	**3,472**
2,777	Of those households, incomes reported at 30% or less of AMI	**2,806**
2,135	Special needs households	**1,450**
1,777	Of those households, incomes reported at 50% or less AMI	**1,447**
1,451	Of those households, incomes reported at 30% or less of AMI	**1,192**
43	Homeless individuals receiving Shelter Plus vouchers for rental assistance, with incomes at 50% or less AMI,	**35**
42	Of those individuals, incomes reported at 30% or less of AMI	**24**

The racial and ethnic composition of persons and households receiving Section 8 voucher assistance is presented in the table below.

	# of People (Members)		
Racial/Ethnic Composition	**Non-Hispanic**	**Hispanic**	**Households**
White	7,071	454	3686
Black / African American	290	29	96
Asian	53	0	24
American Indian/Alaska Native	2,844	209	1,002
Native Hawaiian / Other Pacific Islander	69	3	20
American Indian / Alaska Native & White	134	22	60
Asian & White	13	0	6
Black / African American & White	61	12	21
American Indian / Alaska Native & Black / African American	26	2	9
Other Multi Racial	0	0	0
Totals	**10,562**	**731**	**4,924**

National Foreclosure Mitigation Counseling Program funds. MBOH set-aside $183,000 of its own funds and passes most of the federal grant funds to support The Montana Board of Housing is the grant recipient for HUD Housing Counseling and the statewide network of housing and foreclosure counselors who are partners in NeighborWorks Montana's housing counseling program. During the period of April 1, 2011 through March 31, 2012, clients received delinquency and foreclosure prevention counseling, rental counseling, and homeownership counseling and education.

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 2011 Homeless Population and Subpopulations Chart for data from the 2011 point-in-time count.

Continuum of Care Homeless Population and Subpopulations Chart				
Date of point-in-time count: **January, 24 2013**				
Part 1: Homeless Population	**Sheltered**			
	Emergency	**Transitional**	**Unsheltered**	**Total**
1. Number of Households **with** Dependent Children	89	76	42	**667**
1a. Total Number of Persons in these Households (adults and children)	296	224	147	**667**
2. Number of Households **without** Dependent Children***	367	158	576	**1097**
2a. Total Number of Persons in these Households	410	164	784	**1211**
Total Persons (Add Lines 1a and 2a)	**706**	**388**	**786**	**1878**
Part 2: Homeless Subpopulations	**Sheltered**		**Unsheltered**	**Total**
a. Chronically Homeless	55		155	**210**
b. Severely Mentally Ill	177		102	**279**
c. Chronic Substance Abuse	87		76	**163**
d. Veterans	118		191	**309**
e. Persons with HIV/AIDS	1		3	**4**
f. Victims of Domestic Violence	107		16	**123**
g. Unaccompanied Youth (Under 18)	4		2	**6**

Through the HRDCs, the ESG program provides shelter maintenance, rapid re-housing, and homeless prevention and referral services. Those served were comprised of:

- 9,080 were served through the Emergency Solutions Program with either homeless prevention or rapid re-housing services or with assistance through ESG-funded Emergency Shelters.
  - 3,444 were white
  - 36 were Black/African American
  - 13 were Asian
  - 580 were American Indian/Alaskan Native
  - 9 were Native Hawaiian/Other Pacific Islander
  - 0 were American Indian/Alaskan Native/White, of which 1 was Hispanic
  - 0 were Asian/White
  - 0 were Black/African American/White
  - 22 was American Indian/Alaska Native/Black African American
  - 37 were Other Multi-Racial
- 134 severely mentally ill; 78 chronic substance abuse; 61 other disabilities; 0 veterans; 0 with HIV/AIDS; 12 elderly; 760 victims of domestic violence.

The TS HELP/HOPWA program was awarded a renewal grant for an additional three-year period beginning October 1, 2011 through September 30, 2014. The Yellowstone

AIDS Project received $120,461per year. In July 2012, the additional TS HELP Plus grant began for three years; 9/1/2012 through 8/31/2015, in the amount of $361,382 or $120,461 annually, which increased TBRA assistance for an additional 30 individuals.

- The Yellowstone AIDS Project (YAP), serving the MT-Billings Eastern Region that includes 40 counties, reported serving 72 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 52	Female 12	Average Age:..... 31 - 50 years
American Indian/Alaska Native: 6		
Black/African American:.....5		
Special Needs Category:		
Chronically Homeless.....1	Veterans.... 1	

The Open Aid Alliance (OAA) received $135,440 per year awarded through the HOPWA grant. In July 2012, the additional TS HELP Plus grant began for three years, 9/1/2012 through 8/31/2015 in the amount of $445,229 or $148,410 annually, which increased tenant-based rental assistance for an additional 18 individuals.

OAA serves the MT-Missoula Western Region, which includes 16 counties. OAA reported 71 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 54	Female 17	Average Age..... 31 - 50 years
American Indian/Alaska Native 5		
Black/African American……2		
Special Needs Category:		
Chronically Homeless.....5	Veterans.... 2	

PART II
ASSESSMENT OF ANNUAL PERFORMANCE

PART II - ASSESSMENT OF ANNUAL PERFORMANCE

SECTION A - EFFECTIVENESS OF STATE'S PERFORMANCE

II.A.1 STATE'S EFFECTIVENESS IN MEETING ONE-YEAR (2012-2013) 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 remains committed to moving forward with a 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, Commerce does not prescribe to local governments, PHAs, 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 TABLE 2A - Montana Priority Housing / Special Needs / Investment Plan Table[17] represent only a general indication of needs throughout Montana.

The Housing Coordinating Team produced the "White Paper" on Montana's housing needs in 2008 and an updated Executive Summary in the winter of 2009. The HCT subsequently decided to update and publish this report every year and worked with the Montana Department of Revenue to obtain access to information from MDOR's appraisal data and from realty transfer data. The HCT is updating the original "White Paper" with current data and will project housing needs for 2025 and 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 plan is to update this document on a regular basis so that it remains accurate and useful. This document has been successful in educating the public about the true problems facing homebuyers, renters, seniors, planners, policy makers and affordable housing providers, etc.

[17] State of Montana Five-Year Consolidated Plan, April 1, 2010 – March 31, 2015, page 61.

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, Commerce 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 homebuyer programs throughout the state. In program year 2012, the HOME program allocated $750,000, not including "recaptured funds" for single-family projects through the Single Family Noncompetitive Program.
- MBOH continued to make bond funds available that assist low- to moderate-income homebuyers during the year with 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.
- MBOH continued to operate the Mortgage Credit Certificate program, which provides a federal tax credit to help the affordability of families in homeownership.
- 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.
- 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.
- The HOME and CDBG programs continued to require projects to conform to federal and state energy efficiency standards.
    - The Montana Department of Labor & Industry adopted the 2009 *International Energy Conservation Code* (IECC 2009). All new houses in Montana must meet minimum requirements of the code. The effective date of the adoption was March 26, 2010, with local jurisdictions having an additional 90-day period to incorporate the new standards. According to data from the U.S. Department of Energy, the 2009 IECC, as published, will produce approximately 15% to 18% in energy efficiency gains compared to the 2006 edition.
- The HOME program required homebuyer education classes for all homebuyers assisted with HOME funds as a condition of receiving the funds.
- Commerce collaborated on obtaining funds for organizations that provide homebuyer training and helped to strengthen a statewide partnership for

homebuyer education and counseling, including all several of the state's Indian Reservations. MBOH committed $175,000 of its own funds to support this effort.

- Commerce continued to promote creative means to deliver homebuyer training in rural areas, including web-based training.
- Commerce 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 Financial Education Coalition.
- Commerce continued to support the Section 8 Homeownership Voucher program. Eleven agencies are authorized to participate in the homeownership program and 48 households around the state have been assisted.
- Commerce coordinated with educational institutions to facilitate technical construction, weatherization and home-improvement courses.
- Commerce supported private foundations committed to leveraging federal dollars for affordable housing throughout the state.
- Commerce continued to support the Montana House™. The program constructs one-story homes: three-bedroom, two-bath new home that is available in four different floor plans: 960, 1,008, 1,200, or 1,400 square feet.
- Commerce, through the NSP1 program, has helped stabilize eight communities and created over 225 units of affordable housing, of which over half are now occupied by low, moderate or middle income households. This number does not reflect the amount of program income invested into the NSP1 communities and the activities that are continuing to stabilize additional housing units.
- Commerce, through the NSP3 program, anticipates the three assisted communities will provide many affordable housing units to be occupied by low, moderate, and middle income households

✓ *Improve the quality and availability of affordable rental housing for low- and moderate-income households.*

- HOME funds continue to provide funding to rehabilitate existing and construct new rental housing.
- LIHTC program funds were awarded to construct or preserve rental housing units around the state
- Commerce continued to promote housing that is modified or constructed to meet 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
  - New construction using HOME and CDBG funds are required to conform to federal and state energy efficiency standards

- MDOLI adopted IECC 2009. All new houses in Montana must meet minimum requirements of the code. The effective date of the adoption was March 26, 2010, with local jurisdictions having an additional 90-day period to incorporate the new standards. According to data from DOE, IECC 2009, as published, will produce approximately 15% to 18% in energy efficiency gains compared to the 2006 edition.

- The Section 8 housing choice voucher program provided essential rental subsidy to 3,571 very low- and low-income Montanan households.
- 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.
- 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.
- Commerce supported the Mountain Plains Equity Group, Inc. (MPEG), a small investment syndicator that makes investments in LIHTC projects and historic tax credit projects. Smaller projects, particularly in rural communities, can be expensive and difficult for housing authorities, nonprofit entities, and other developers to put together. MPEG eases the development of multi-family housing by providing limited but essential relief though partnerships with local state and nationally charted banks.
- Commerce, through the NSP1 program, created 10 rental units to low, moderate and middle income households.
- Commerce, through the NSP3 program, anticipates creating an unknown number of rental units to be made available to low, moderate, and middle income households.

✓ *Provide housing options for the elderly and special needs populations.*[18]

- 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, 2012, the RAM program had assisted 204 senior households since it began taking applications.

[18] 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.

- HOME and CDBG program funds were used to develop projects targeted to assist individuals with a physical disability, developmental disability, mental illness, or who are elderly:
  - During Plan Year 2012 the CDBG program awarded $2,250,000 in funds to support project activities targeted at persons who are elderly, abused, neglected, or disabled.
    - CDBG awarded $450,000 to Flathead County on behalf of Intermountain Children's Home to construct a new facility for abused and neglected youth. This project will provide a safe facility to serve approximately 80 youth annually.
    - CDBG awarded $450,000 to Lewis and Clark County on behalf of the YWCA to rehabilitate a structure in downtown Helena currently providing 32 apartments for homeless women and young children.
    - CDBG awarded $450,000 to the City of Helena on behalf of WestMont to funda six-unit residential group home for adults with a disability.
    - CDBG awarded $450,000 in funds to Hill County on behalf of the Eagles Manor senior housing complex to rehabilitate the roof and replace an existing boiler.
    - CDBG awarded $450,000 in funds to Missoula County on behalf of the Tom Roy Youth Home to construct a new housing facility that will serve approximately 25 at risk youth annually.
  - HOME awarded more than $2.1 million in Program Year 2012 for two projects that will construct or preserve and rehabilitate a combined total of 31 affordable housing units:
- $750,000 to Lewis and Clark County to rehabilitate 25 units in the historic YWCA.
- $200,000 to the City of Helena to construct a 6-bed group home for adults with significant developmental and physical disabilities.
- Commerce 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.
  - Of the 58 households assisted with Section 8 homeownership vouchers, 36 were households with a family member that had a disability
- MBOH made funds available through the Disabled Accessible Affordable Homeownership program to provide architecturally accessible homes for persons with permanent disabilities and mobility impairments.
- Commerce 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[19]

- 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
- Commerce supported its role as an information clearinghouse by including information on the Housing Division website:
  - Montana Landlord/Tenant Law
  - Federal and Montana fair housing laws
  - 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*[20], the listing provides basic information on where citizens can find assistance for issues relating to housing rights, fair housing, legal issues, etc.[21]
- 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 Montana renters. The locator service can assist landlords in meeting affirmative marketing requirements.
- The Tenant Based Section 8 Program makes its preliminary application available online: **http://housing.mt.gov/About/Section8/apply.mcpx**. 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

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[19] *Analysis of Impediments to Fair Housing and Housing Choice*, Western Economic Services, LLC, November 2004

[20] *Montana Housing Resource Directory*, Montana Department of Commerce, September 2011; **http://housing.mt.gov/CP/housingresourcedirectory.mcpx**

[21] 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. MDOC assumes no liability for the content of information provided in the directory or the content of links listed in the directory.

- Presented information on the new LBP regulations. As of April 22, 2010 the EPA/HUD joint Lead; Renovation, Repair, and Painting Program Rule affects paid renovators working 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. Contractors are required to have a certified renovator on board for each job taking place in a home or facility defined by the rule.
- Continued to require the appropriate notification, inspection, testing, interim controls or abatement, and clearance activities are followed
- Continued to provide information on lead-based paint training
  - EPA-Authorized Lead Renovation, Repair, and Painting (RRP) Courses are offered by the Montana Weatherization Training Center at MSU-Bozeman, the only EPA accredited training provider in Montana

✓ *Improve the efficiency of Commerce housing programs*

- Through the HCT, the HOME, CDBG, MBOH, and USDA RD staffs participated in efforts to simplify and standardize housing program delivery in Montana by using the Uni-App. The uniform application underwent changes in 2012 based on input from past and potential applicants.
- 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. During the plan year, the HOME program revised the qualification package for local governments, CHDOs, and PHAs to become Qualified Entities for homebuyer assistance activities. Similar revisions are forthcoming for homeowner rehabilitation activities.
- During this plan year the HOME program piloted an open application round allowing applicants a more one-on-one service for all remaining funds after the first competitive round.
- The CDBG program continues to encourage communities to use housing funds as part of an overall neighborhood or community renewal effort.
- Commerce utilized technical assistance providers with an emphasis on community needs assessment and project development. Staff members of each Commerce 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.

- Commerce 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 makes its preliminary application available online: **http://housing.mt.gov/About/Section8/apply.mcpx**. Households can apply online for the Section 8 waiting list from any location that has internet access, including public libraries, public assistance offices, etc.
  Applicants can also check their position on the waiting list online at **www.waitlistcheck.com**.

✓ *Other Actions*

- The Department of Public Health and Human Services in concert with the Governor's office and other state agencies initiated a program entitled Warm Hearts, Warm Homes in 2005 and support for the program continued in 2011. The program makes information available to all Montanans to help them identify programs that could benefit them. A website exists to advertise available resources and enlist "Neighbor to Neighbor" community involvement. The website has information on weatherization, saving energy, and other resources to help families 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. Additionally, as part of this effort, the Department provides funds to the Montana Conservation Corp to provide low cost energy conservation services to low-income families not scheduled for intensive weatherization measures.
- Commerce 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 continued to gather data on housing, incomes, units, structures, rents, etc., for each of the 56 counties in the state and assembled a "white paper". The working group is currently in the process of updating this document for 2010, and intends this document to 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 newest and sixth workgroup has been formed to study ways to streamline and simplify the Uniform Application for Montana Housing Loan, Grant & Tax Credit programs. The Uni-App was completed in 1998 and is used by the housing programs. 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. A survey has been designed and distributed to recent users and potential users of the Uni-App to solicit input from those who use this application. The results will be used to make improvements.

- The HOME program has 19 certified CHDOs providing significant nonprofit housing development capacity within the state. All of the CHDO's participated in an extensive HUD training about building CHDO capacity.
- HOME funds support the housing objectives in a variety of ways: HOME grantees construct new affordable units to increase the housing stock, offer down payment and closing cost assistance to increase the ability of low-income households to purchase homes, and offer rehabilitation programs to finance housing maintenance, accessibility and other improvements, and energy efficiency measures as long as those activities are part of a larger strategy to bring the entire home up to code.
- The HOME program requires recipients to complete homebuyer education before receiving down payment and closing cost assistance.
- HOME, CDBG, and MBOH staff participate in application workshops, educational webinars 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 Commerce's website: **http://housing.mt.gov/HM/default.mcpx.** The online administrative manual is updated throughout the year as needed.
- The HOME program periodically issues newsletters to update HOME Grantees and others interested in the HOME Program about relevant topics. Newsletters, which are e-mailed to the interested parties, are posted on the *HOME Happenings* web page: **http://housing.mt.gov/HM/hmhappenings.mcpx**

- The HOME program also instituted *HOME Matters*, an official communication from the HOME Program regarding specific policies, procedures, rule changes and guidance, which are mailed and e-mailed to targeted audiences, depending upon the subject material. Recipients are encouraged save *HOME Matters*, either electronically or in a binder, for referencing later. *HOME Matters* are available at: **http://housing.mt.gov/HM/homematters.mcpx**

Homelessness

The continued role of the statewide Continuum of Care is critical in meeting the needs of the homeless population in Montana. The MT CoCC actions to promote and guide the group's work plan include:

- Updating and revising the MT CoCC structure and procedures to better meet current demands and federal changes
- Conducting an annual statewide survey and resources inventory to count and assess homeless needs
- Collecting, analyzing, publishing, and distributing survey findings
- Continuing to implement the Homeless Management Information System (HMIS)
- Conducting annual meetings
- Contributing to the annual update of the state Consolidated Plan

Montana's 2009 CoC application will add eight units of Shelter Plus Care to the existing inventory of 161 units. These new units will be allotted to three communities without dedicated SPC vouchers. The vouchers will be administered by the Commerce Housing Division and will bring the number of units that can be used on an as-needed, statewide basis, to 24 units. The 2009 application will also add seven units of transitional housing and supportive services for women and children that are badly needed in the Helena community.

The MT CoCC collaborated with Public Health and Human Services in implementing the ARRA Homeless Prevention and Rapid Re-housing program. Public Health and Human Services, the HPRP grantee, allocated the funds to the state's 10 community action agencies, the HRDCs, as the sole subgrantees responsible for implementing the program statewide. The MT CoCC assisted in developing the HPRP plans, encouraged local CoC participation, and worked on a daily basis with Public Health and Human Services in developing the state plan, retooling HMIS to accommodate HPRP, training local agencies, developing monitoring tools and a centralized HPRP resource website, and participating in regular troubleshooting and updating conference calls.

The MT CoCC also invested substantial time and effort in arranging for two Associated Gospel Rescue Missions (AGRM) to participate in the Annual Homeless Assessment Report. The MT CoCC negotiated an agreement whereby the shelters will make their client data available to the state's HMIS system. While the effort has faced numerous

technical challenges in bridging two different software systems and final testing is expected to take place this summer, if successful, it will be the first significant incorporation of AGRM shelter bed data in the HMIS and AHAR systems and, it is hoped, will open the door to more AGRM participation across the nation.

Economic Development

The CDBG-ED program met its projected 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 2012, the CDBG-ED program's grant recipients projected the retention of 22 jobs and creation of 30 jobs, of which more than 51% will be held by or made available to LMI. Of those local governments awarded funding, there is over a 1.3 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*

  There are two businesses receiving 2012 CDBG-ED assistance, both of which are in the refining and processing of natural resources in support of the energy development (Sanjel USA and OptiBlend, Inc.).

- *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*

The companies assisted with a 2012 CDBG-ED grant do refine and process product that is sold out of the State of Montana.

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

No applications received for this type of business during program year 20112.

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

  No awards were made for planning during the 2012 program year.

Businesses and communities received technical assistance from MDOC staff while developing their community goals, onsite visits, and coordination with other programs.

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

  In program year 2012 CDBG funds were leveraged by private and public funding 1.3. Over the past five years, CDBG funds have been leveraged by over $10 in outside funding for every CDBG dollar invested.

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

- No funding was provided for micro-enterprise development through technical assistance funding.

- *Assist new and expanding businesses with employee training needs*

  No applications received for this type of business during program year 2012.

- *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 program did not receive a request for this type of assistance during the 2012 program year.

- *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.

  Jobs assisted under the 2012 program year are well paying jobs and an asset to their regions.

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

  Sanjel USA and OptiBlend, Inc. are technical processing facilities that are also value-added businesses.

  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

  With only two (2) awards during the 2012 program year, the CDBG-ED program expects to retain over 22 jobs and create 30 jobs of which over 51% will be held by

or made available to LMI. The program anticipates a large number of applications for CDBG-ED assistance during the 2013 program year.

- *Leverage $12 to $13 of other funds for each $1 of program funds*

  Proposals awarded funding during this program year are providing 1.3 match for every dollar of CDBG-ED funds. Over the last five years, private and public funding has matched CDBG-ED funds over 1:10.

Infrastructure and Public Facilities

Infrastructure needs across Montana vary widely. As a state agency administering non-housing community development programs, Commerce 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, Commerce 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 2012, the CDBG program:

  - Awarded planning grants, to identify overall community development and housing and neighborhood renewal needs. In cooperation with the Community Technical Assistance Program, planning grant activities are completed with the use of planning and engineering staff in the Community Development Division. These planning grants are 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.
  - 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 W_2ASACT public facility webinars and 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. Planning and applying for infrastructure improvements workshops and webinars were held in Helena, Great Falls and Glendive, during February, March, and April 2013.

- Continued to support the other programs administered by the Commerce Community Development Division, which are critical to assisting local governments in meeting their infrastructure needs.
  - During the year before the Legislative session the Treasure State Endowment Program will receive applications from counties, cities and towns, tribal governments, and water and sewer districts for construction project grants. Grants will reviewed with possible award through the legislative process. Over $150 million in matching construction grants have been awarded to over 350 local governments since 1993.
  - The Montana Coal Board has been an active participant with local governments in coal-impacted areas. During the 2013 biennium the Coal Board received $5,917,424 to award to entities in coal-impacted areas. Grants are awarded for projects related to water system improvements, school additions and accessibility improvements, road repair equipment purchases, hospital improvements, law enforcement equipment, and the preparation of planning documents.
  - 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 W_2ASACT 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 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 2010-2015 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 (2011-2012) 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.

At the end of the program year, March 31, 2012, Montana's HOME program was ranked 10th overall of 51 statewide participating jurisdictions (PJs) ranked by HOME Performance Snapshots[22]. Montana's HOME program had committed 91.32% of its funds committed (compared to the national average of 90.68%) and had disbursed 89.11% of its funds versus the national average of 85.88%.

Montana's CDBG program continues to meet HUD's requirement for the timely distribution of funds. [23]

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

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

The rehabilitation of the 32 apartments in the YWCA structure located in downtown Helena will involve the temporary relocation of residents. This project was funded during Plan Year 2012 with a $450,000 grant to Lewis and Clark County.

The ESG program has not funded projects that involve the demolition of occupied real property. None of the program year 2012 ESG grant projects involve permanent relocation activities that would fall under the 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. Commerce 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

[22] **http://www.hud.gov/offices/cpd/affordablehousing/programs/home/snapshot/mt_montana_snap.pdf,** as of 12/31/2011.

[23] Notice: CPD-10-01; *Timely Distribution of State CDBG Funds*; Issued April 15, 2010; http://portal.hud.gov/portal/page/portal/HUD/program_offices/administration/hudclips/notices/cpd/files/10-01cpdn.pdf

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 Commerce 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 contract, grantee Management Plan, and restriction agreements for the Single Family Noncompetitive Allocation Pilot Program described earlier (page 24). The HOME program continues to analyze other potential options for improving its allocation process and additional changes may be forthcoming.

During Plan year 2012, the Housing and Community Development Divisions received comments from interested parties asking that "Visitability" be required as a minimum building standard for all ground floor units funded by HOME, LIHTC, CDBG, and ESG. These "Visitability" aspects included:

- one zero-step entrance and
- doors with 32 inches of clear passage space and
- one bathroom on the main floor with maneuver space for a wheelchair.

All HOME and CDBG funded rental and multi-family projects must meet the minimum accessibility requirements found in Section 504 of the Rehabilitation Act of 1973. In accordance with Section 504:

- For **new construction** of multi-family projects (with 5 or more units), a minimum of 5% of the units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2% of the units (but not less than one unit) must be accessible to individuals with sensory impairments.
- The Section 504 definition of **substantial rehabilitation** multi-family projects includes construction in a project with 15 or more units for which the rehabilitation costs will be 75% or more of the replacement cost. In such developments, 5% of the units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2% (but not less than one unit) must be accessible to individuals with sensory impairments.
- When **rehabilitation less extensive than substantial rehabilitation** is undertaken, alterations must, to the maximum extent feasible, make the unit accessible to and usable by individuals with handicaps, until 5% of the units are accessible to people with mobility impairments. Alterations to common spaces must, to the maximum extent feasible, make the project accessible.

The usual standards for ensuring compliance with Section 504 are the Uniform Federal Accessibility Standards (UFAS), although deviations are permitted in specific circumstances.

Currently, the Montana LIHTC Program's accessibility requirements for all new construction and major rehabilitation that replaces interior walls and doors incorporates the following:

- 36 inch doors for all living areas (except pantry, storage, and closets)
- levered handles for exterior and interior doors (except exterior swing doors)
- Outlets mounted not less than 15 inches above floor covering
- light switches, control boxes and/or thermostats mounted no more than 48 inches above floor covering
- walls adjacent to toilets, bath tubs and shower stalls require reinforcement for later installation of grab bars
- lever style faucets for laundry hook-up, lavatory and kitchen sink
- no-step entry to all ground floor units

II.B.1 TECHNICAL ASSISTANCE

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. Commerce 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.

The Community Technical Assistance Program (CTAP) is staffed with a full time Planner and Land Use Attorney to provide technical assistance for all Montana communities including those that apply for CDBG funding.

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.

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. CDD 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.

The CDD will continue to coordinate its technical assistance efforts with the regional workshops conducted by the interagency W_2ASACT 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 as well as providing education webinars. The BRD's economic development programs, especially the Small Business Development Subcenters, the MicroBusiness Development Corporation network, 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.

The HOME program periodically issues newsletters to update HOME Grantees and others interested in the HOME Program about relevant topics. Newsletters, which are e-mailed to the interested parties, are posted on the *HOME Happenings* web page: **http://housing.mt.gov/HM/hmhappenings.mcpx.** The HOME program also instituted *HOME Matters*, an official communication from the HOME Program regarding specific policies, procedures, rule changes and guidance, which are mailed and e-mailed to targeted audiences, depending upon the subject material. Recipients are encouraged save *HOME Matters*, either electronically or in a binder, for referencing later. *HOME Matters* are available at: **http://housing.mt.gov/HM/homematters.mcpx**

According 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 Montana HOPWA programs have been active in servicing their communities and continue to participate fully providing much needed services. The Open Aid Alliance 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 Public Health and Human Services in providing technical assistance and gathering data to support the progress of the programs. Both OAA 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 former Montana Council on Homelessness worked with Public Health and Human Services and examined solutions to the root causes of homelessness and worked 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, MTCoH maintained an online survey designed to garner the public's perceptions of homelessness in their communities. The survey asked questions that paralleled, as much as possible, the questions asked by the annual *Survey of the Homeless*.

MTCoH also increased access for the homeless to such programs as Medicaid, food stamps, TANF, housing and other services designed to foster self-sufficiency through participation in resource development and training.

The issues that cause, rise from, and sustain homelessness cross many system boundaries, beginning with the most basic human needs. The MTCoH examined solutions that pulled 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.

Former MTCoH staff is working with a dedicated committee to create the Montana Coalition for the Homeless. MCH will be requesting 501(c)(3) status and implementing by-laws and a governing board; the goal is to have MCH functioning by fall 2010. There has been a great deal of interest and enthusiasm from advocates throughout the state. MCH will take a different approach to addressing homelessness than any other organization, including the MT CoCC. The focus will be on education, advocacy and providing a voice for people who have been or who are homeless. To date, at least a third of those who have volunteered to serve on the founding board are coming with direct, personal experience of homelessness.

The *Montana Housing Resource Directory*[24] includes descriptions of a variety of federal, state, and local housing programs available in Montana. A section on "Housing Rights,

[24] *Montana Housing Resource Directory*, Montana Department of Commerce, September 2011; **http://housing.mt.gov/CP/housingresourcedirectory.mcpx**

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/cp/cpreportsandstatistics.mcpx** 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/FAR/HCT/TA/default.mcpx**, was recently débuted. Information for assistance in writing grants and guidance in restoring building skills to help communities solve housing are being explored and developed.

The HOME Program offers one-on-one HOME training to newly awarded grantees that is geared toward the needs of the grantee and its specific project.

The Commerce Housing Division continues to conduct information-gathering and educational sessions via webinar to encourage broader participation:

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

II.B.2 REFINEMENT OF INSTITUTIONAL STRUCTURES

Commerce completed the 2011 Annual Action Plan 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/cp/cpdocuments.mcpx**

Many other supporting documents are also available online. Commerce, through the Housing Coordinating Team, continues to identify areas where further communication and cooperation are 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.

Commerce and Public Health and Human Services 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. Commerce through its Section 8 and MBOH Disabled Access Programs continue to work with the

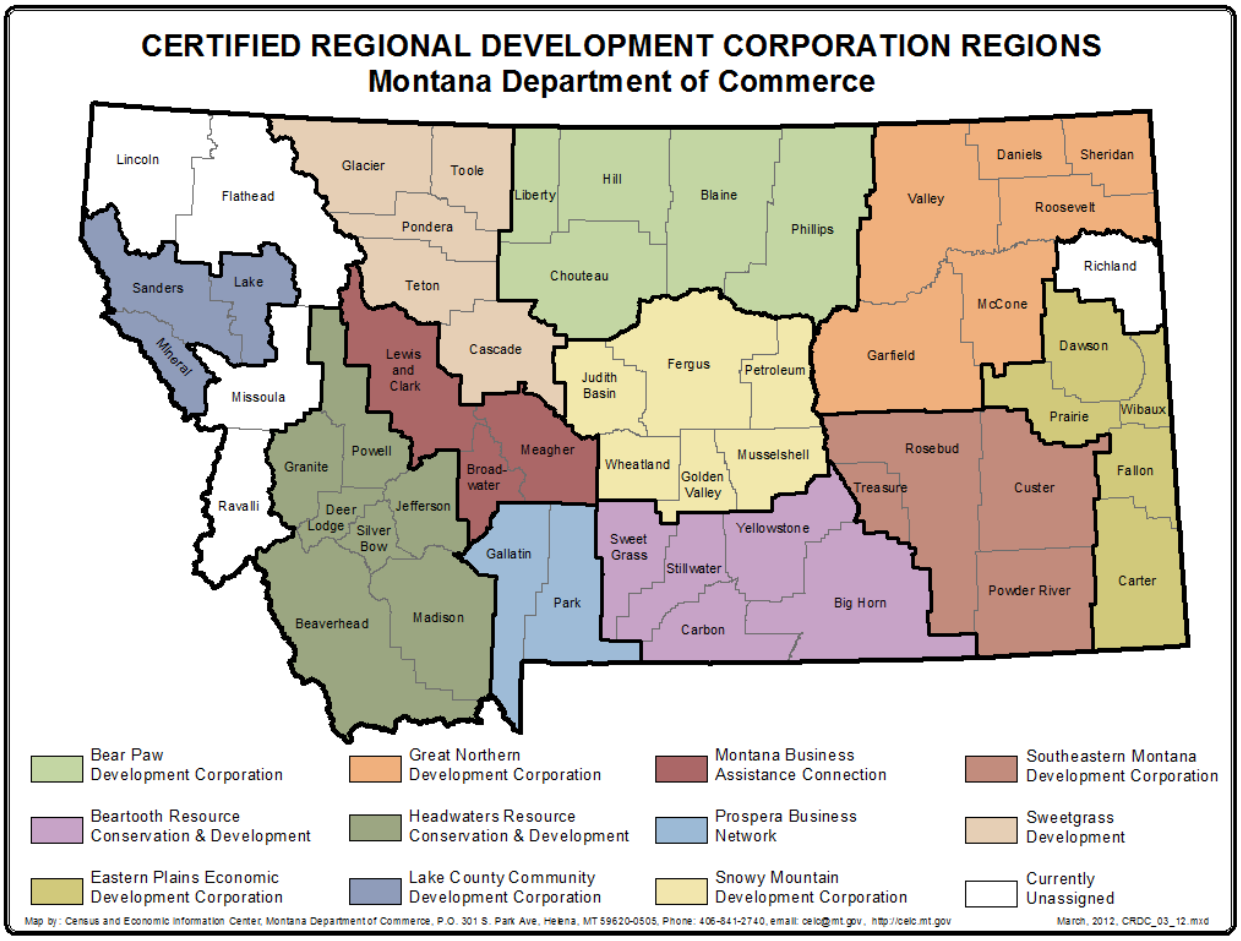
Home Choice Coalition to create the opportunity for homeownership for low-income disabled households. The state, through Public Health and Human Services, continues to support initiatives to fulfill the U.S. Supreme Court Olmstead decision to create community living opportunities for people with severe disabilities currently residing in institutions.

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.

Former staff of the MTCoH is working with a dedicated committee to create the Montana Coalition for the Homeless. MCH will be requesting 501(c)(3) status and implementing by-laws and a governing board late this spring. The Montana Coalition for the Homeless expects to take a completely different approach than any other organizations, including the MT CoCC. The focus will be on education, advocacy and providing a voice for people who have been, or who are homeless.

CDBG-ED program and the Business Resources Division will continue to expand its 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. Commerce 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 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 Corporation. Commerce has designated eleven 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.


CERTIFIED REGIONAL DEVELOPMENT CORPORATION REGIONS
Montana Department of Commerce
Lincoln
Flathead
Glacier
Toole
Liberty
Hill
Blaine
Phillips
Valley
Daniels
Sheridan
Roosevelt
Richland
Pondera
Teton
Chouteau
Sanders
Lake
Mineral
Missoula
Lewis and Clark
Cascade
Judith Basin
Fergus
Petroleum
Garfield
McCone
Dawson
Prairie
Wibaux
Fallon
Carter
Powell
Granite
Ravalli
Deer Lodge
Silver Bow
Jefferson
Broad-water
Meagher
Wheatland
Golden Valley
Musselshell
Rosebud
Treasure
Custer
Powder River
Gallatin
Park
Sweet Grass
Stillwater
Yellowstone
Big Horn
Carbon
Beaverhead
Madison
Bear Paw Development Corporation
Great Northern Development Corporation
Montana Business Assistance Connection
Southeastern Montana Development Corporation
Beartooth Resource Conservation & Development
Headwaters Resource Conservation & Development
Prospera Business Network
Sweetgrass Development
Eastern Plains Economic Development Corporation
Lake County Community Development Corporation
Snowy Mountain Development Corporation
Currently Unassigned
Map by: Census and Economic Information Center, Montana Department of Commerce, P.O. 301 S. Park Ave, Helena, MT 59620-0505, Phone: 406-841-2740, email: ceic@mt.gov, http://ceic.mt.gov
March, 2012, CRDC_03_12.mxd

II.B.3 ISSUES STIMULATING POLICY REFINEMENT

Housing

The past few years have proven to be unprecedented in housing markets across the country, first for the precipitous rise in housing costs and homeownership, then for the dramatic losses in home values and foreclosures that resulted from the collapse of the "housing bubble," and finally from the effect of the recession that followed. Montana has not seen the level of foreclosure activity that has characterized national media coverage. Montana had less than half the national rate of sub-prime mortgage lending during the heyday of the housing bubble, so had fewer mortgages at risk. The effects of the national recession brought on by the collapse of the housing market are much more significant. Many areas of the state have had businesses fail and job losses have caused families with reasonable fixed-rate long-term mortgages to fall into foreclosure.

Montana's foreclosure rate for the years preceding the collapse of the housing market was low. For example, in 2005 only 0.2% of the residential properties in Montana had foreclosure proceedings.[25] Looking at data from the Mortgage Banker Association, Montana's foreclosure rate appears to have reached its highest level of 2.01% in January 2011. Montana's foreclosure rate was 1.35% in December 2012. ranked 44th lowest in the nation in 2009. However, the foreclosures have not been distributed evenly across the state. For example. In general, foreclosure rates have hit three types of areas more heavily in Montana: the urban counties of Missoula, Cascade, and Yellowstone; counties with more rapid growth including Flathead, Gallatin, Park, Ravalli, and Lewis and Clark; and counties with Indian reservations. Some counties with the highest foreclosure rates also have been hard hit by reduced household incomes due to the economic recession.

The downturn in housing prices initially eased the gap between housing costs and what Montanans can afford in order to become homeowners. Prior to the collapse of the housing market, Montana's low- and moderate-renter households were largely unable to purchase starter homes in many areas of the state. Data from 2000 and 2006 indicated that the number of counties in which the median household income could not afford the median priced home rose from six to 28 of Montana's 56 counties between 2000 and 2006.[26] By 2008, the downturn in housing prices, coupled with higher incomes, brought the cost of the median-priced home within the reach of the median household income in more counties than in 2006. However, while household incomes in many areas of Montana increased significantly from 2000 to 2008, incomes have fallen subsequently because of the recession.

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[25] Data on foreclosures from RealtyTrac

[26] Remaining data for this section, unless otherwise noted, comes from the 2010 Housing White Paper, Housing Division, Montana Department of Commerce

The state is seeing housing markets stabilize in areas that saw a decline in home purchase prices. However, several factors make it more difficult to purchase a home. Lending criteria have been tightened considerably in the aftermath of the sub-prime lending crisis, making it more difficult for first-time homebuyers to qualify to purchase a home. Households need to have stronger credit scores and higher down payment requirements than was the case during the housing boom. These factors make it more difficult for first-time homebuyers to take advantage of the lower house costs. Finally, although low interest rates and housing prices make this appear to be a good time to buy a home, many first-time homebuyers now view homeownership as more risky, and, coupled with the uncertainty in the economy, are not seeking to purchase a home. Most first-time homebuyer households rely on wage income from younger wage earners at the lower end of the wage scale for their professions. Montana continues to rank nationally at the bottom of the wage scale, while housing purchase costs remain at about the national average.

A rising issue now in many parts of the state is the lack of housing units. Areas in eastern Montana have had relatively little growth for so long that there are relatively few construction trade workers and contractors, and many of those are working with the oil and gas industry expansion. Now, many communities in eastern Montana, as well as smaller communities all across the state, are reporting that the need for starter homes and rental housing units is increasing, but they lack the capacity to begin to address these needs.[27] In eastern Montana communities along the High Line and in oil boom areas, rental housing is essentially nonexistent. Personnel for border security and for the oil business, both of which have been on the rise, have found both a shortage of rental units and a lack of ownership units in a moderate price range. The existing housing stock in many of these areas has significant problems with disrepair. Fifteen counties in Eastern Montana have more than 15% of their housing stock in unsound condition, and there are 14 communities in eastern Montana that have more than a quarter of their housing stock in unsound condition. At the same time, in many of these same areas the cost of building a new house is much more than the home could be sold for on the market. This discourages new investment in housing.

Montana is forecast to have about 30 percent of its entire population over 65 by the year 2030, and this growing senior population is not evenly distributed over the state. The number of seniors affects the number of housing units needed in an area, as senior households typically have one or two members. More housing units are needed to house people who live alone or with one other person than are needed to house an equal number of people who live as families with children. The challenge for Montana counties is to recognize the changing demographics of who will need housing, and what

[27] The Montana CDBG program has been contacted by a wide range of Montana communities seeking help with affordable housing. These communities range from Hill County, working on senior housing, to the City of Helena, upgrading a facility for homeless individuals. In eastern Montana, officials from Plentywood to Baker have discussed the need for housing as the shortage of affordable worker housing as a result of increased oil and gas activity is greatly affecting the community and the services provided.

type of housing will they need. As seniors age, particularly in more rural areas, they need smaller rental, assisted living, and nursing home housing units rather than single-family homes. Many of Montana counties lack sufficient housing to meet these needs.

There is a mismatch between Montana's housing needs, and housing availability and affordability across Montana. This mismatch is likely to continue and may worsen because of a number of other trends that affect the ability of Montana communities and tribes to respond to their housing needs.

Homes within the city limits of communities that had high growth, like Missoula, Bozeman, and Kalispell, were beyond the reach of young families, many of whom bought houses in outlying rural areas miles away. The longer term forecast calls for rising gas prices, which in turn will increase the costs of commuting. Data from the Department of Energy indicate that the cost of commuting negates nearly all of the savings in lower mortgage payments for a home located far from city services and jobs. As commuting becomes more and more costly, households and communities will have to reconsider the long-term implications of building starter homes miles from the communities in which these young wage earners work.

Local governments are facing escalating costs in providing infrastructure such as water and sewer systems to their residents. Many of these systems were built prior to 1920, and now must be replaced, adding significantly to the tax burden of existing properties and making them less affordable.

New residential development faces challenges in getting water. There are now seven closed basins in Montana, i.e., areas where all the existing water has been claimed through water rights. New development must go through the DNRC to request water permits for communal water systems. This process can take several years with no guarantee of success. Water is likely to increase as an area of challenge for future residential development.

Rough estimates indicate that about 55,000 households in Montana are below the poverty line and would benefit from having subsidized housing. Montana has about 15,700 units of housing with subsidized rents that are intended to serve not only households below the poverty line, but also working families with low-income wage earners. The supply of subsidized rental housing units does not come close to serving all those who need it. Moreover, many of Montana's subsidized housing units are on year-to-year contracts; Montana faces the potential for up to a 30% reduction in subsidized rental housing stock if owners choose to withdraw yearly contract units from the program. The alternative for many households is market rate housing, which typically consumes much more than 30% of household income, forcing people to make difficult decisions on where to spend their funds, choosing between food or rent, medicine or rent.

Mobile homes provide a relatively low cost housing alternative for lower income households. A special study of Montana's mobile homes found that as of May of 2006,

28,635 of the mobile homes in Montana were built prior to 1976, before basic safety and construction requirements were put into place. It is likely that most of these units do not meet these requirements and should be decommissioned and replaced.

The recession has also increased the level of homelessness and demand on basic services such as food banks. Homelessness imposes costs on communities far beyond the costs of shelters. A recent study in Billings found that the community spent $31,000,000 in dealing with homeless people in one year, about $13,000 per person.

Montana's 70,000 Native Americans struggle with many of the same housing impediments faced by of other rural communities including poor economies, lack of infrastructure and scarce community agencies charged with building and renovating what little housing exists. Additionally, Indian reservations in Montana had virtually no housing resources until the early 1970s when HUD was authorized to enter into agency agreements with Tribes. This program gave some relief to the reservations but fell far short of meeting the need. Obtaining accurate information as to the actual housing need on the reservations is difficult due to varying reasons, from household reluctance to reporting actual household size in fear of loss of services to chronic under estimating Indian population during census counts. The Tribally Designated Housing Authority annual performance reports (Indian Housing Plan) indicate shortages of housing on all of Montana's seven Indian Reservations. The shortage of housing forces many Indian families to live in towns off the reservation and commute. Others live in overcrowded conditions.[28] However, progress in addressing housing needs on Indian reservations face additional barriers such as: bureaucratic delays in processing paperwork; limited capacity for program implementation and management; limited funding on local, state and national levels to increase construction of new units, renovate existing units, and expand infrastructure; and economic instability in Indian communities.

Tribes are faced with housing their own enrolled Tribal members with scarce resources, and get no additional funds to also house their non-enrolled Tribal Descendants, members of other federally recognized Tribes and their descendants, and the non-Indian community. The shortage of affordable rental housing on reservations has made overcrowding common on all Montana reservations. Frequently, extended families have twenty or more persons living in a 1200 square foot house. Overcrowding contributes to the decline in the condition and value of these homes, and dollars for rehab are in short supply.[29]

Homelessness

Homeless assistance efforts in Montana are provided through a combination of private and publicly funded programs. All emergency shelters are privately operated in Montana. Unlike many other areas in the nation, Montana has no city- or state-funded shelters. Of the 777 inventoried, year-round shelter beds in the state, faith-based

[28] Montana Indian Homeownership Task Force, spring, 2008
[29] Montana Indian Homeownership Task Force

organizations provide for 54 percent and domestic violence shelters for about 30 percent of all beds.

Transitional housing and permanent supportive housing for seriously disabled homeless, however, are predominantly funded through federal homeless programs. Of the 685 transitional housing beds, 66 percent are completely or partially funded by McKinney-Vento CoC grants (58%) and the Veterans Administration Grants Per Diem program (8%). All of the 624 permanent supportive housing beds are federally funded rental vouchers through the Veterans Administration VASH program (54%) and CoC grants (46%). Community Mental Health Centers provide critical case management and supportive services on at least a 1:1 matching basis for all of the CoC permanent supportive housing residents.

The newly revised Emergency Solutions Grant operated through the Montana Department of Public Health and Human Services (DPHHS) and its sub-recipients, the Human Resource Development Councils (aka community action agencies), provides nascent Rapid Rehousing assistance throughout some parts of the state. While only 41 Rapid Rehousing rentals were active in early 2013, it is anticipated to increase following ongoing performance reviews and program evaluations.

Currently, neither TANF nor Medicaid are used to provide homeless housing assistance.

All of the housing programs above are required to assist clients in accessing cash benefits from mainstream programs that include: Supplemental Security Income, Social Security Disability Insurance, Veterans Disability, TANF, retirement and pensions or child support. These programs also assist clients to access non-cash mainstream benefits from Medicaid, Medicare, State children's health insurance, WIC, VA medical services, TANF child care, temporary rental assistance, and Section 8 or other public rental assistance.

There are also many vitals programs providing other services to the homeless, such as:

*Health Care for the Homeless (HCH) is a federally funded HRSA program that provides temporary medical services to homeless individuals and families. There are two clinics in Billings and Missoula and six satellite service sites in Billings, Butte, and Helena.

*The SAMSHA-funded PATH program provides critical street outreach and homeless program enrollment in Billings, Butte, and Missoula. The PATH program also coordinates the SOARS training which helps all homeless case managers successfully assist homeless clients apply for SSI and SSDI assistance.

*Volunteers of America, Billings, is a recent recipient of a Veterans Administration's Supportive Services for Homeless Veteran Families grant which provides services and some rental assistance to veteran households in the Billings area.

*The 10 Human Resource Development Councils provide a statewide network of no-wrong-door accessibility to homeless assistance, including short-term rental assistance ,emergency shelter, food banks, and referral assistance to a myriad of other programs.

The Montana Continuum of Care Coalition and local community CoC groups are providing community and state-level planning and resource coordination in order to maximize the use of all homeless programs and to ensure that Montana remains competitive in securing approximately $2.8 million in McKinney-Vento grants each year for transitional housing and permanent supportive housing. The Coalition also conducts the annual homeless survey and inventory, oversees the statewide Homeless Management Information System (a data bank for homeless programs), analyzes performance data of homeless programs, and is developing a 10-year strategic plan and a coordinated assessment system to more effectively address homelessness in Montana.

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, public facilities, and economic development. Growth policies can be implemented through the adoption of zoning ordinances or capital improvements programs and construction. Montana's CDBG Housing and Public Facilities program supports each community's desire to further develop planning through funding and technical assistance. During the 2012 Plan Year, CDBG awarded $360,785 in planning grant funds to assist communities with planning and technical assistance grants.

With the assistance of the Community Technical Assistance Program (CTAP) staff, all Montana communities have access to planning and engineering expertise enhancing the preparation of planning documents. In addition to the CTAP staff, the Montana Main Street Program, that is also administered by the Community Development Division, is a tool to further the impact of CDBG planning grants and identification of the community needs.

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 2012, Commerce set aside up to $273,306 of CDBG funds from the economic development category for technical assistance grants. Applications would have been 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 Commerce 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 <u>in support of an economic development project only</u>

CDBG-ED planning grants were available in amounts up to $25,000. Local governments had to provide a match on a $1 for $1 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.

No awards were made for planning activities under the CDBG-ED Program for the 2012 program year.

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. Beginning with the FFY 2007 Annual Action Plan, the three formula grant programs adopted the following specific annual objectives:

Table 3A - Summary of Specific Annual Objectives
Plan Years 2010, 2011, 2012, 2013 and 2014

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Expected Nmbr[30, 31]	Actual Nmbr[32, 33, 34]	Percent Completed
DH-1	**Availability/Accessibility of Decent Housing**					
DH-1.1	Enhance the availability / accessibility of decent housing through assistance for acquisition/new construction of rental and homeownership units for LMI households	**CDBG**	**2010** ▪ **Number of units acquired and newly constructed**	**0**	**74**	**0%**
			2011 ▪ **Number of units acquired and newly constructed**	**0**	**74**	**0%**
			2012 ▪ **Number of units acquired and newly constructed**	**0**	**0**	**n.a.**
			2013 ▪ **Number of units acquired and newly constructed**	**n.a.**	**n.a.**	**n.a.**
			2014 ▪ **Number of units acquired and newly constructed**	**n.a.**	**n.a.**	**n.a.**
			FIVE-YEAR TOTAL	**0**	**224**	**0%**

Please Note: "n.a." is defined as no project applications being received by the grant program.

[30] 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.

[32] Sources: IDIS Report CO4PR83, **CDBG** Performance Measures Report for Program Year 2010 and IDIS Report CO4PR81, **ESG** Performance Measures Report for Program Year 2010

[32] CDBG Actual Number of units or households served is based on the project activities awarded but may not necessarily be reflected in the IDIS Reports since final actual beneficiaries served are reported during project closeout. Once project activities are completed and entered into IDIS, the Percent Completed will be entered.

[34] Source: IDIS Report PR85-Housing Performance Report Program Years 2010 (4/1/10-3/31/11) & 2011 (4/1/11-3/31/12). Note: PR-85 Housing Performance Report Program Years 2010 (4/1/10-3/31/11) & 2011 (4/1/11-3/31/12) for the purposes of this report although the detail data were entered into IDIS.

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Expected Nmbr[30, 31]	Actual Nmbr[32, 33, 34]	Percent Completed
DH-2	**Affordability of Decent Housing**					
DH-2.1	Address the need for affordable decent housing by offering rehabilitation assistance to low- and very low-income homeowner households	**HOME** **Local Match**: *5% minimum required*	**2010** ▪ **Number of units rehabilitated**	**40**	**8**	**20%**
			▪ *# of units meeting Section 504 standards*			
			▪ *# of units qualified as Energy Star*			
			2011 ▪ **Number of units rehabilitated**	**40**	**12**	**30%**
			▪ *# of units meeting Section 504 standards*			
			▪ *# of units qualified as Energy Star*			
			2012 ▪ **Number of units rehabilitated**	**n.a.**	**n.a.**	**n.a.**
			▪ *# of units meeting Section 504 standards*			
			▪ *# of units qualified as Energy Star*			
			2013 ▪ **Number of units rehabilitated**	**n.a.**	**n.a.**	**n.a.**
			▪ *# of units meeting Section 504 standards*			
			▪ *# of units qualified as Energy Star*			
			2014 ▪ **Number of units rehabilitated**	**n.a.**	**n.a.**	**n.a.**
			▪ *# of units meeting Section 504 standards*			
			▪ *# of units qualified as Energy Star*			
			FIVE-YEAR TOTAL	**80**	**20**	**25%**

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Expected Nmbr[30, 31]	Actual Nmbr[32, 33, 34]	Percent Completed
DH-2.2	Address the need for affordable decent housing by offering down payment and closing cost assistance to low- and very low-income households	**HOME**	**2010** ▪ **Number of households receiving homebuyer assistance**	**100**	**59**	**59%**
		Local match: *5% minimum required*	▪ *# of first-time homebuyers*		*59*	
			▪ *# receiving homebuyer education / counseling*		*59*	
			▪ *# coming from subsidized housing*			
			2011 ▪ **Number of households receiving homebuyer assistance**	**100**	**47**	**47%**
			▪ *# of first-time homebuyers*		*47*	
			▪ *# receiving homebuyer education / counseling*		*47*	
			▪ *# coming from subsidized housing*			
			2012 ▪ **Number of households receiving homebuyer assistance**	**n.a.**	**n.a.**	**n.a.**
			▪ *# of first-time homebuyers*			
			▪ *# receiving homebuyer education / counseling*			
			▪ *# coming from subsidized housing*			
			2013 ▪ **Number of households receiving homebuyer assistance**	**n.a.**	**n.a.**	**n.a.**
			▪ *# of first-time homebuyers*			
			▪ *# receiving homebuyer education / counseling*			
			▪ *# coming from subsidized housing*			
			2014 ▪ **Number of households receiving homebuyer assistance**	**n.a.**	**n.a.**	**n.a.**
			▪ *# of first-time homebuyers*			
			▪ *# receiving homebuyer education / counseling*			
			▪ *# coming from subsidized housing*			
			FIVE-YEAR TOTAL	**200**	**106**	**53%**

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Expected Nmbr[30, 31]	Actual Nmbr[32, 33, 34]	Percent Completed
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**	**2010** ▪ **Number of households provided with rental assistance**	**50**	**202**	**404%**
			2011 ▪ **Number of households provided with rental assistance**	**50**	**0**	**0%**
			2012 ▪ **Number of households provided with rental assistance**	**n.a.**	**n.a.**	**n.a.**
			2013 ▪ **Number of households provided with rental assistance**	**n.a.**	**n.a.**	**n.a.**
			2014 ▪ **Number of households provided with rental assistance**	**n.a.**	**n.a.**	**n.a.**
			FIVE-YEAR TOTAL	**100**	**202**	**202%**
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**	**2010** ▪ **Number of rental units assisted**	**115**	**133**	**116%**
		Local Match: *5% min. required*	▪ *# of units meeting Section 504 standards*			
			2011 ▪ **Number of rental units assisted**	**115**	**39**	**34%**
			▪ *# of units meeting Section 504 standards*			
			2012 ▪ **Number of rental units assisted**	**n.a.**	**n.a.**	**n.a.**
			▪ *# of units meeting Section 504 standards*			
			2013 ▪ **Number of rental units assisted**	**n.a.**	**n.a.**	**n.a.**
			▪ *# of units meeting Section 504 standards*			
			2014 ▪ **Number of rental units assisted**	**n.a.**	**n.a.**	**n.a.**
			▪ *# of units meeting Section 504 standards*			
			FIVE-YEAR TOTAL	**230**	**172**	**75%**
DH-2.5	Address the need for <u>affordable decent</u> housing through down payment and closing cost assistance to low- and moderate -income households	**CDBG**	**2010** ▪ **Number of households receiving homebuyer assistance**	**4**	**4**	**n.a.**
			2011 ▪ **Number of households receiving homebuyer assistance**	**4**	**4**	**n.a.**
			2012 ▪ **Number of households receiving homebuyer assistance**	**0**	**4**	**n.a.**
			2013 ▪ **Number of households receiving homebuyer assistance**	**n.a.**	**n.a.**	**n.a.**
			FOUR-YEAR TOTAL	**8**	**0**	**0**

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Expected Nmbr[30, 31]	Actual Nmbr[32, 33, 34]	Percent Completed
DH-2.6	Address the need of families facing the possibility of homelessness by providing payments for utilities, rent, or deposits through homeless prevention and rapid re-housing programs and services	**ESG**	**2010** ▪ **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**	**6,049**	**120%**
			2011 ▪ **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**	**6,485**	**129%**
			2012 ▪ **Number of individuals receiving 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**	500	534	n.a.
			2013 ▪ **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.**	**n.a.**	**n.a.**
			FOUR-YEAR TOTAL	**5,000**	**6,049**	**120%**
DH-3	**Sustainability of Decent Housing**					
DH-3.1	Improve the sustainability of decent housing through the rehabilitation of homeowner units to benefit LMI households.	**CDBG**	**2010** ▪ **Number of LMI households assisted**	**50**	**107**	**0%**
			2011 ▪ **Number of LMI households assisted**	**50**	**107**	**0%**
			2012 ▪ **Number of LMI households assisted**	**0**	**40**	**n.a.**
			2013 ▪ **Number of LMI households assisted**	**n.a.**	**n.a.**	**n.a.**
			FOUR-YEAR TOTAL	**100**	**0**	**0%**

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Expected Nmbr[30, 31]	Actual Nmbr[32, 33, 34]	Percent Completed
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**	**2010** ▪ **Number of persons with new/improved access to the public facility or receiving a service provided by the public facility that is no longer substandard**	**230**	**16**	**70%**
			2011 ▪ **Number of persons with new/improved access to the public facility or receiving a service provided by the public facility that is no longer substandard**	**230**	**16**	**0%**
			2012 ▪ **Number of persons with new/improved access to the public facility or receiving a service provided by the public facility that is no longer substandard**	**0**	**0**	**n.a.**
			2013 ▪ **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.**	**n.a.**	**n.a.**
			FOUR-YEAR TOTAL (PERSONS)	**460**	**10518**	**30%**
SL-1.2	Enhance availability/ accessibility of decent housing by offering new construction & rehabilitation of non-rental shelters[35] to LMI households	**CDBG**	**2010** ▪ **Number of units constructed and rehabilitated**	**0**	**0**	**0%**
			2011 ▪ **Number of units constructed and rehabilitated**	**0**	**0**	**0%**
			2012 ▪ **Number of units constructed and rehabilitated**	**0**	**0**	**n.a.**
			2013 ▪ **Number of units constructed and rehabilitated**	**n.a.**	**n.a.**	**n.a.**
SL-1.3	Enhance suitable living environment through availability and accessibility of essential services for the homeless	**ESG**	**2010** ▪ **Number of individuals assisted with essential services such as shelter, food and individual support services**	**690**	**595**	**93%**
			2011 ▪ **Number of individuals assisted with essential services such as shelter, food and individual support services**	**690**	**492**	**71%**

[35] Youth group homes, domestic violence facilities, mental health facilities, homeless shelters, etc.

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Expected Nmbr[30, 31]	Actual Nmbr[32, 33, 34]	Percent Completed
			2012 ▪ Number of individuals assisted with essential services such as shelter, food and individual support services	n.a.	7,537	n.a.
			2013 ▪ Number of individuals assisted with essential services such as shelter, food and individual support services	n.a.	n.a.	n.a.
			FOUR-YEAR TOTAL	690	595	93%
			2011 ▪ Number of units constructed and rehabilitated	0	24	0%
			2012 ▪ Number of units constructed and rehabilitated	n.a.	n.a.	n.a.
			2013 ▪ Number of units constructed and rehabilitated	n.a.	n.a.	n.a.
			FOUR-YEAR TOTAL	0	24	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[36] by targeting direct benefits to serve a specific LMI clientele.	CDBG	2010 ▪ Number of persons with improved/new access to the public facility or receiving a service provided by the public facility that is no longer substandard	220	974	20%
			2011 ▪ Number of persons with improved/new access to the public facility or receiving a service provided by the public facility that is no longer substandard	220	874	0%
			2012 ▪ Number of persons with improved/new access to the public facility or receiving a service provided by the public facility that is no longer substandard	0	874	n.a.

[36] Water and wastewater projects, nursing homes, Head Start centers, senior centers, county hospitals, etc.

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Expected Nmbr[30, 31]	Actual Nmbr[32, 33, 34]	Percent Completed
			2013 ▪ **Number of persons with improved/new access to the public facility or receiving a service provided by the public facility that is no longer substandard**	**n.a.**	**n.a.**	**n.a.**
			FOUR-YEAR TOTAL (PERSONS)	**9,797**	**11,212**	**10%**
SL-3	**Sustainability of Suitable Living Environment**					
SL-3.1	Improve the sustainability of suitable living environments through rehabilitation of existing public facilities[37] to benefit a geographic area with an LMI percentage of 51% or higher	**CDBG**	**2010** ▪ **Number of households with new/improved access to the public facility or receiving a service provided by the public facility that is no longer substandard**	**2400**	**14,323**	**0%**
			2011 ▪ **Number of persons with new/improved access to the public facility or receiving a service provided by the public facility that is no longer substandard**	**2400**	**14,323**	**0%**
			2012 ▪ **Number of persons with new/improved access to the public facility or receiving a service provided by the public facility that is no longer substandard**	**0**	**1,737**	**n.a.**
			2013 ▪ **Number of persons with new/improved access to the public facility or receiving a service provided by the public facility that is no longer substandard**	**n.a.**	**n.a.**	**n.a.**
			FOUR-YEAR TOTAL (PERSONS)	**111**	**858**	**0%**

[37] Water and wastewater projects

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Expected Nmbr[30, 31]	Actual Nmbr[32, 33, 34]	Percent Completed
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**	**2010** ▪ **Number of emergency shelters/domestic violence facilities assisted that provide shelter, food and individual support services through Shelter Maintenance funding**	**23**	**23**	**100%**
			2011 ▪ **Number of emergency shelters/domestic violence facilities assisted that provide shelter, food and individual support services through Shelter Maintenance funding**	**23**	**23**	**100%**
			2012 ▪ **Number of emergency shelters/domestic violence facilities assisted that provide shelter, food and individual support services through Shelter Maintenance funding**	**23**	**8**	**100%**
			2013 ▪ **Number of emergency shelters/domestic violence facilities assisted that provide shelter, food and individual support services through Shelter Maintenance funding**	**n.a.**	**n.a.**	**n.a.**
			FOUR-YEAR TOTAL	**23**	**23**	**100%**
EO-1	**Availability/Accessibility of Economic Opportunity**					
EO-1.1	Provide economic opportunity through improved or new availability/accessibility	**CDBG**	**2010** ▪ **Number of businesses assisted with loans/grants**	**1**	**0**	**100%**
			▪ *Number of new businesses assisted*		*0*	
			▪ *Number of existing businesses assisted*		*1*	
			▪ *Number of jobs created*		*33*	
			▪ *Number of jobs retained*		*0*	
			2011 ▪ **Number of businesses assisted with loans/grants**	**1**	**2**	**200%**
			▪ *Number of new businesses assisted*		*0*	
			▪ *Number of existing businesses assisted*		*2*	
			▪ *Number of jobs created*		*0*	
			▪ *Number of jobs retained*		*133*	
			2012 ▪ **Number of businesses assisted with loans/grants**	**1**	**2**	**100%**
			▪ *Number of new businesses assisted*			
			▪ *Number of existing businesses assisted*			
			▪ *Number of jobs created*			
			▪ *Number of jobs retained*			

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Expected Nmbr[30, 31]	Actual Nmbr[32, 33, 34]	Percent Completed
			2013 ▪ **Number of businesses assisted with loans/grants**	**2**	**n.a.**	**n.a.**
			▪ *Number of new businesses assisted*			
			▪ *Number of existing businesses assisted*			
			▪ *Number of jobs created*			
			▪ *Number of jobs retained*			
			FOUR-YEAR TOTAL	**4**	**4**	**100%**
EO-2	**Affordability of Economic Opportunity**					
EO-2.1	Provide economic opportunity through improved or new affordability	**CDBG**	**2010** ▪ **Number of businesses assisted with loans/grants**	**3**	**3**	**100%**
			▪ *Number of new businesses assisted*		*0*	
			▪ *Number of existing businesses assisted*		*3*	
			▪ *Number of jobs created*		*26*	
			▪ *Number of jobs retained*		*86*	
			2011 ▪ **Number of businesses assisted with loans/grants**	**2**	**2**	**100%**
			▪ *Number of new businesses assisted*			
			▪ *Number of existing businesses assisted*			
			▪ *Number of jobs created*			
			▪ *Number of jobs retained*			
			2012 ▪ **Number of businesses assisted with loans/grants**	**2**	**0**	
			▪ *Number of new businesses assisted*			
			▪ *Number of existing businesses assisted*			
			▪ *Number of jobs created*			
			▪ *Number of jobs retained*			
			2013 ▪ **Number of businesses assisted with loans/grants**	**2**	**n.a.**	**n.a.**
			▪ *Number of new businesses assisted*			
			▪ *Number of existing businesses assisted*			
			▪ *Number of jobs created*			
			▪ *Number of jobs retained*			
			FOUR-YEAR TOTAL	**9**	**5**	**55%**

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Expected Nmbr[30, 31]	Actual Nmbr[32, 33, 34]	Percent Completed
EO-3	**Sustainability of Economic Opportunity**					
EO-3.1	Provide economic opportunity through improved or new sustainability	**CDBG**	**2010** ▪ **Number of <u>businesses</u> assisted with loans/grants**	**3**	**4**	**125%**
			▪ *Number of new businesses assisted*		*1*	
			▪ *Number of existing businesses assisted*		*3*	
			▪ *Number of jobs created*		*65*	
			▪ *Number of jobs retained*		*36*	
			2011 ▪ **Number of <u>businesses</u> assisted with loans/grants**	**3**	**3**	**100%**
			▪ *Number of new businesses assisted*			
			▪ *Number of existing businesses assisted*			
			▪ *Number of jobs created*			
			▪ *Number of jobs retained*			
			2012 ▪ **Number of <u>businesses</u> assisted with loans/grants**	**2**	**1**	**50%.**
			▪ *Number of new businesses assisted*			
			▪ *Number of existing businesses assisted*			
			▪ *Number of jobs created*			
			▪ *Number of jobs retained*			
			2013 ▪ **Number of <u>businesses</u> assisted with loans/grants**	**2**	**n.a.**	**n.a.**
			▪ *Number of new businesses assisted*			
			▪ *Number of existing businesses assisted*			
			▪ *Number of jobs created*			
			▪ *Number of jobs retained*			
			FOUR-YEAR TOTAL	**10**	**8**	**75%**
EO-3.2	Provide economic opportunity through improved or new sustainability	**CDBG**	**2009** ▪ **Number of <u>persons</u> assisted with a new/continuing access to a (public) service**	**n.a.**	**60**	**n.a.**
			2010 **Number of <u>persons</u> assisted with a new/continuing access to a (public) service**	**n.a.**	**3**	**n.a.**
CR-1	**Community Revitalization**					
	Not applicable					
O-1	**Other**					
	Not applicable					

PART III – MONTANA STATE SUMMARY OF CONSOLIDATED PLAN PROJECTS FOR REPORT YEAR 2012

IDIS–PR06: Summary of Consolidated Plan Projects for Report Year

(Available in IDIS)

APRIL 1, 2012 TO MARCH 31, 2013

Report to HUD

PART IV – HOME ANNUAL PERFORMANCE REPORT

Form HUD-40107
HOME Match Report – form HUD-40107-A
FHEO 504 Review
FHEO HOME Review

Section 3 Summary Report – HUD Form 60002 (HOME)

IDIS-PR22: Status of HOME Activities
IDIS-PR25: Status of CHDO Funds by Fiscal Year Report
IDIS-PR27: Status of HOME Grants Report
IDIS-PR33: HOME Matching Liability Report
(Available in IDIS)

APRIL 1, 2012 TO MARCH 31, 2013

REPORT TO HUD

PART V - CDBG ANNUAL PERFORMANCE REPORTS

Section 3 Summary Report – HUD Form 60002 (CDBG)

IDIS–PR26: CDBG Financial Summary Report
Program Year 2012

IDIS–PR28: CDBG State PER Report
(Available in IDIS)

APRIL 1, 2012 TO MARCH 31, 2013

REPORT TO HUD