State of Montana

2011 DRAFT Consolidated Annual Performance and Evaluation Report

Governor
Brian Schweitzer

Investing in Montana's Communities

DEPARTMENT OF COMMERCE
Dore Schwinden, Director
Community Development Block Grant Program
Home Investment Partnerships Program

DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES
Anna Whiting Sorrel, Director
Emergency Solutions Grant Program

For Plan Year 2011

April 1, 2011
through
March 31, 2012

EQUAL HOUSING OPPORTUNITY

Prepared by:

Business Resources Division
Montana Department of Commerce

301 S. Park Avenue, P.O. Box 200505
Helena, MT 59620-0523
(406) 841-2734
www.businessresources.mt.gov

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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 (MDOC)

Community Development Block Grant (CDBG) Program

The Community Development Block Grant program is a federally funded grant program designed to help communities with their greatest community development needs. The program, established by the Federal Housing and Community Development Act of 1974 (42 USC 5301), is administered nationally by the U.S. Department of Housing and Urban Development (HUD). All projects must principally benefit 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, 2012, the state received $6,260,396 in Federal Fiscal Year 2011 CDBG funds.

The Community Development Division is responsible for the award and administration of CDBG funds related to Public Facilities and 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 centers, Head Start centers, or mental health facilities. 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, preparing a neighborhood renewal plan, a housing study, a capital improvements plan, a preliminary engineering or architectural report, or similar planning processes designed to help a community address critical needs.

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

The CDBG Economic Development (CDBG-ED) program functions within the Commerce Loan Fund, located in the Business Resources Division. The Commerce Loan Fund also operates a revolving loan fund that was initially funded in 1990 with an $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 revolving loan fund are received and deposited by Commerce for further relending activities; local governments may not retain loan payments from this revolving loan fund. Once a balance of $100,000 is available, funds are available for loans.

Neighborhood Stabilization Program (NSP)

NSP1

On July 30, 2008 Congress allocated $3.92 billion in NSP1 funds through the Housing and Economic Recovery Act (HERA) of 2008 to every state and certain local communities. On March 19, 2009, the State of Montana was allocated $19.6 million in Neighborhood Stabilization Program (NSP1) funds to provide one-time assistance to local governments to acquire and redevelop foreclosed or abandoned properties in order to rehabilitate, resell, or redevelop these properties and stabilize neighborhoods across Montana that seen an impact from foreclosures and subprime lending.

Commerce implemented the Montana NSP1 program through an application process open to designated Areas of Greatest Need and awarded funds through a performance-based grant approach. The performance-based grant awarded NSP1 funds to approved grantees on an individual activity basis, so long as the grantee continued to be successful in obligating and expending funds for approved and eligible activities. The grantee's role in a performance-based system was to ensure approved projects were completed on time, within the approved budget, and according to the original scope of work. The number of housing units, the budget, and the implementation schedule, provided by the grantee and approved by Commerce, determined whether a grantee was eligible to receive additional funds for NSP1 projects. Through the performance based grant system, eight grantees were approved to carryout NSP1 activities.

Currently, all eight Montana NSP1 grantees are finalizing project activities and meeting the contractual objectives. In fact, the full NSP1 appropriation has been firmly awarded to the existing approved NSP1 grantees as of June 30, 2010, was fully obligated by September 10, 2010, and is on schedule to be fully expended by March 2013. Additional information on the specific NSP1 grantees is included in Section B of this document.

NSP3

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 provided an additional one time allocation of $1 billion for the Neighborhood Stabilization Program. HUD awarded grants to 270 states and selected local governments to stabilize and

revitalize communities hardest hit by the economic effects of foreclosure and abandonment. Eligible areas, as defined by HUD in qualified Area of Greatest Need were allowed to apply via a two tiered process established by Commerce and approved by HUD. The first-tier was and intent to apply process to gather basic eligibility information on potential project activities. The second-tier process was a competitive application process that determined final project awards.

On June 30, 2010, the substantial amendment to HUD was approved and three grantees were awarded NSP3 funds for project activities in eligible areas. Project activities will occur in these HUD-qualified Areas of Greatest Need. Additional information on specific NSP3 grantees is included in Section B of this document.

Currently, NSP3 grantees are fulfilling grant requirements and goals as defined in each applicable census tract qualifying data, project activities such as acquisitions and rehab or construction are underway. Grantees are required to expend 50% of their grant award with by March 2013 and 100% expenditure of funds by March 2014. Commerce is communicating very regularly with all grantees to keep them informed of the deadlines.

CDBG-Disaster Recovery (CDBG-DR) Program

The CDBG Disaster Recovery Program was funded as the result of a presidential declaration of disaster. A May 1-2, 2008 disastrous spring storm affected the four southeastern-most counties in Montana. HUD awarded $666,000 in CDBG-DR funds in FFY 2009 to be administered at the state level to remediate the consequences of the disastrous storm. The full amount of the Disaster Recovery Program funds has been expended in the four counties and all project activities are completed and have been closed out during this performance year.

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 purposes of the funding were 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 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 and project closeout is occurring.

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 Shelter Grant program. The program received $401,022 for plan year ended March 31, 2012.

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

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

Housing Opportunities for Persons With AIDS (HOPWA)

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

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 Missoula AIDS Council and Yellowstone AIDS Project in Montana (see map on page 65). 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 are intended to 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 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 is expected to end May 31, 2012 in Montana and all funds will have been expended. Montana is currently awaiting 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 $1,923,710 for the year ending in March 2012. 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 for the year ending in 2012 were $7,260,000. 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 1,067 homes in Montana, for a total energy savings of more than 36,414 BTUs.

Additional DOE funding under ARRA 2009, $27,467,047, allowed Montana to weatherize an additional 1,052 homes for energy savings of 38,411 BTUs during this performance period.

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 (national or regional competition) by applying to HUD.

Shelter Plus Care (SPC)

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

1:1 basis, are available on a competitive basis through the state's Continuum of Care process.

Supportive Housing Program (SHP)

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

U.S. Department of Agriculture Rural Development Program (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 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.

Montana Department of Commerce

Treasure State Endowment Program (TSEP)

The Treasure State Endowment Program is a state funded grant program administered by 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. Typically, 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 by HB 152 (Chapter 377, Laws 2009) and codified at Section 90-6-801, *et seq*., MCA, provides a competitive grant program for (1) school facility and technology 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.

Indian Country Economic Development (ICED)

Indian Country Economic Development funds from the Commerce Business Resources Division have been made 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 between three main funding activities: tribal government projects, tribal member business start-up or expansion, and entrepreneurial training for tribal populations.

Of these funds $560,000 per fiscal year will be made available 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.

$126,000 will be made 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 for awards to 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 (WTG)

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

The WTG program is targeted toward primary sector businesses that create at least one net new job that pays the lower of the current county average wage or 170% of the

State's minimum wage. 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 (BSTF)

The Big Sky Economic Development Trust Fund 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 Commerce. 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, 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 (WPIRS) Program

The 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-R WPIRS)

EDA WPIRS funding may be loaned to individuals, including private contractors related to the wood products industry, and wood product businesses.

EDA WPIRS 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.

State WPIRS 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.

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 to be utilized by first-time homebuyers; however, in certain "targeted" areas, the borrowers do not need to be first-time buyers. Certain income requirements, 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 $15 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). Zero 538 loans have been closed from April 1, 2011 through March 31, 2012.

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. As of June 30, 2011, 89 loans in the amount of $1,007,686 have been funded. 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

Fund distribution for the CDBG Housing and Public Facilities categories is based on annual competitions for each category. Eligible applicants are limited to general-purpose local governments: counties and incorporated towns and cities under 50,000 in population. The maximum grant request for each 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 entitlement funds. The maximum grant request a local government can make in a program year is $400,000. Local governments typically used CDBG-ED funds to make loans to area businesses. The local government may manage loan repayments if it can demonstrate to Commerce 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

Amendment to the 2011 Annual Action Plan

During the spring of 2010, the Montana Department of Commerce amended the 2011 Annual Action Plan, which set forth the proposed method of distribution for HUD assisted programs, including the Montana CDBG Program. After a public review process, the method of distribution of CDBG funds was modified such that after 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 will be allocated to the Business Resources Division for Economic Development projects. A minimum of 60%, but not to exceed 70% of funds, will be allocated to the Community

Development Division for Public Facility and Housing and Neighborhood Renewal projects.

This change was initiated to provide the Department of Commerce and the Director with more flexibility in allocating CDBG funds among categories in response to community needs. The amendment was adopted and put in place for FFY 2010 project awards and thereafter.

Of the $6,260,396 the state received for FFY 2011, the Business Resources Division awarded $2,030,679 million for economic development projects, including Economic Development planning grants. The Community Development Division awarded a total of $3,650,000, which is broken down into $3,000,000 for Public Facilities projects, $450,000 for Housing projects, and $200,000 for planning grants related to community development.

Distribution of FFY 2011 CDBG Funds

The FFY 2011 State CDBG allocation was $6,260,396, less 3% ($287,811) for State Program Administration and Technical Assistance as provided by Federal Law. The subsequent amount then available for award to local governments for Economic Development, Public Facilities, and Housing (including planning grants) was $5,972,585.

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. Thirty-four percent (34%) or $2,030,679 of these funds were allocated to the CDBG Economic Development Division and sixty-six (66%) or $3,941,906 of these funds were allocated to the Community Development Division for Public Facility and Housing and Neighborhood Renewal projects.

For FFY 2011 funds, the Department based the funding allocation between Housing and Public Facilities upon the demand between the two categories for the previous two years. Through this method, the amounts allocated between the two categories will change based upon a historical two-year demand. However, 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.

The FFY 2011 CDBG Public Facilities category application deadline was May 22, 2010 and the CDBG Housing application deadline was January 15, 2011 for FFY 2011 funds. Currently, there is approximately $290,000 of CDBG Public Facility and Housing funds that have not yet been obligated for FFY 2011; however these funds will be obligated to

projects in the immediate future and well before the 15 month obligation deadline. For FFY 2011 CDBG community development planning grants, applications related to housing and public facilities projects were due on April 16, 2011 and all funds have been awarded to complete planning activities. See Section B of this document for specific project awards.

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

The Business Resources Division funded one contract for economic development loans and grants totaling $400,000 during the program year, with an additional four applications requesting $400,000 each anticipated to be received in the next few months to be obligated before the 15 month deadline.(see page 29).

In addition, for program year 2011, $118,488 was set aside for planning grant activities. Activities under this category included a Memorandum of Agreement with the Small Business Development Center Bureau (SBDC) for skill development and training for SBDC business advisors, strategic planning and professional development counseling, and training fees for advanced level seminars. Of the CDBG-ED technical assistance funds, $30,000 was set aside for this activity. In addition, $39,337 was allocated for completion of the consolidated planning documents.

Of the remaining technical assistance funds, five planning grant activities were funded with awards totaling $81,190, with one additional planning grant requesting $25,000 anticipated to be received in the next few months to be obligated before the 15 month deadline. (see page 125). The balance is available for either planning grant activities or regular economic development projects.

HOME Program

HOME program funds available from HUD in the plan year ended March 31, 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 11, 2011. The HOME program did not receive a sufficient number of fundable applications to fully award the 2011 grant competitive funds; therefore, the HOME program held a second application round for these remaining 2011 funds. The application deadline for the second round of funding was August 12, 2011. Applications for the second round were

accepted for projects across Montana with the entitlement cities of Great Falls, Billings, and Missoula. Public housing authorities (PHAs) and community housing development organizations (CHDOs) operating within city boundaries, were also eligible 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 2011 program year, Grantees with an open FFY 2010 grant must have 50% of the project funds drawn down by the application due date; Grantees with an open FFY 2009 grant must have 75% of the project funds drawn down by the application due date; and Grantees with grants three years and older (FFY 2008 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 $1,037,057 in 2011 to the SFNP, distributed among four regions of the state according to a formula using population estimates, age of housing, and commitment of the prior two years' funds.

2011 Single-Family Noncompetitive Program Allocation		
District	**Geographic Area (Counties)**	**Funds Available**
1	**Montana (all counties)**	
2	Blaine, Carter, Custer, Daniels, Dawson, Fallon, Garfield, Hill, Liberty, McCone, Phillips, Powder River, Prairie, Richland, Roosevelt, Rosebud, Sheridan, Treasure, Valley, & Wibaux	$ 136,320
3	Big Horn, Carbon, Cascade (excluding City of Great Falls), Chouteau, Fergus, Glacier, Golden Valley, Judith Basin, Musselshell, Petroleum, Pondera, Stillwater, Sweet Grass, Teton, Toole, Wheatland, & Yellowstone (excluding City of Billings)	$ 207,728
4	Broadwater, Jefferson, Lewis and Clark, Gallatin, Meagher, Park, Flathead, Lake, Lincoln, & Sanders	$ 461,877
5	Mineral, Missoula (excluding City of Missoula), Ravalli, Beaverhead, Deer Lodge, Granite, Madison, Powell, & Silver Bow	$ 231,132
Total FFY 2011 Funds Available		**$1,181,664**

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.

For program year 2011, funds were reserved for each district until January 1, 2012. (Funds are reserved for use in each District for six (6) months, which begins once MDOC receives its annual allocation from HUD, or on January 1, whichever comes first.). On January 1, 2012, uncommitted funds were made available to any qualified entity on a statewide, first-come, first-serve basis. After six additional months, until July 1, 2012, any remaining uncommitted funds will be reallocated to the competitive pool of funds.

During the Plan year $797,949.52 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 58) receive 95% of the funds allocated under this program. Funds are distributed based on a formula allocation contained in ARM 53-10-502 pertaining to the federal Community Services Block Grant. This allocation reflects areas of poverty and general population.

Housing Opportunities for Persons With AIDS

In 2011, the Public Health and Human Services was awarded a HOPWA renewal grant of $1.4 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 Missoula AIDS Council 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 2009, the grant of $1.4 million was approved by HUD for operation of the TS-HELP Plus program and continued funding the housing case managers.

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SECTION B – INVESTMENT OF AVAILABLE RESOURCES

I.B.1 FEDERAL SOURCE – STATE ADMINISTRATION

CDBG FFY 2011 Public Facility Project Awards

FFY 2011 Public Facility Project Awards				
Entity	Project Type	Awarded Amount	Total Number of Beneficiaries (Persons)	Total Project Costs (Leverage)
Cascade County - Sun Prairie Water District	Water System Improvements	$450,000	1,400	$3,576,000
Custer County - Rural Improvement District	Wastewater System Improvements – Service Line Connections, Hook-Up fees	$450,000	250	$1,645,000
Helena, City of - Intermountain Children's Home	New Construction of Treatment Residences of At-risk youth	$450,000	24	$2,581,000
Town of Hot Springs	New Construction of Medical Facility	$450,000	531	$812,970
Town of Kevin	Water System Improvements	$300,000	178	$709,000
Mineral County	New Construction of Senior Center	$450,000	600	$543,836
Pondera County - Brady Water & Sewer District	Water System Improvements	$450,000	190	$1,657,000
Total		**$3,000,000**	**3,173**	**$11,524,806**

CDBG FFY 2011 Housing Project Awards

FFY 2011 Housing and Neighborhood Renewal Project Awards				
Entity	Project Type	Awarded Amount	Total Number of Beneficiaries (Households/ Units)	Total Project Costs (Leverage)
Lewis & Clark County – Rocky Mountain Development Council	Senior Housing (River Rock Residences)	$450,000	33	$6,256,269
Total		**$450,000**	**33**	**$6,256,269**

CDBG FFY 2011 Planning Awards for Public Facility and Housing

FFY 2011 Planning Grant Awards		
Entity	**Project Type**	**Award**
Anaconda-Deer Lodge County	Preliminary Architectural Report for Boys and Girls Club	$15,000
City of Havre	Capital Improvements Plan	$20,000
Lewis & Clark County	Preliminary Architectural Report for West Mont Apartments	$20,000
Town of Stanford	Capital Improvements Plan	$8,000
Town of Bainville	Preliminary Engineering Report	$3,500
Great Northern Development Corporation assisting Daniels, Valley, Sheridan, Roosevelt, McCone and Richland Counties	Community Planning: Assisting communities with the development of planning documents	$69,500
Eastern Plains Resource Conservation & Development assisting Dawson, Prairie, Fallon, Carter and Wibaux Counties	Community Planning: Assisting communities with the development of planning documents	$64,000
Total		**$200,000**

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**	**Amount of Award**
Butte Silver Bow City/County	Acquisition, Rehab, Resale of Single Family foreclosed, abandoned or vacant homes	Unknown at this time*	$2,649,000
City of Kalispell	Acquisition, Rehab, Resale of Single Family foreclosed homes. Homes will be placed in Community Land Trust	Unknown at this time*	$1,500,000
Lake County	Acquisition and demolition of foreclosed and blighted multifamily rental unit, new construction of multifamily rental unit	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 2011 CDBG Economic Development Project Awards

(Open cycle)

REGULAR CDBG-ED PROJECT AWARDS

Locality:	**Town of Stevensville**
Project Number:	#MT-CDBG-ED11-01
Name of Company:	Selway Corp & Bitterroot Tool & Machine
Project Location:	Stevensville Montana
Financing Date:	December 28, 2011
CDBG-ED Funds:	
Loan	$ 380,000
Admin Grant	$ 120,000
Total	$ 400,000
Other Funds:	
EDA	$ 400,000
Total Project	$ 800,000
Job Retention:	133 FTE's
LMI Jobs:	67 FTE's

Use of CDBG-ED Funds: The CDBG-ED funds will be used to connect Selway Corporation and Bitterroot Tool & Machine to the city sewer lines. This will be a retention project in that Selway proposes to retain 115 FTEs of which 51% will be made available to low and moderate income persons. BTM proposed to retain 18 FTEs of which 51% will be made available to low and moderate income persons.

CDBG-ED PLANNING GRANT AWARDS

Grantee:	**Missoula County**
Project Number:	MT-CDBG-EDPG11-01
Project Location:	Stevensville Montana
Financing Date:	September 26, 2011
CDBG-ED Funds:	$ 13,520
Other Funds	
Emergent Institute	$ 13,480
Total Project	$ 27,000
Job Creation:	Not applicable

LMI Jobs: Not applicable

Use of CDBG-ED Funds: Proposed use of funding is for preparation of a business plan, patent applications, market and manufacturing plan, and legal services for development of The Emergent Wheels, a sports wheelchair manufacturing business.

Project did not move forward. Grant terminated.

Grantee: **City of Bozeman**
Project Number: MT-CDBG-EDPG11-02

Project Location: City of Bozeman
Financing Date: October 31, 2011

CDBG-ED Funds: $ 25,000

Other Funds:
City of Bozeman $ 12,500
DNRC $ 12,500
Total Match $ 25,000

Total Project $ 50,000

Job Creation: Not applicable

LMI Jobs: Not applicable

Use of CDBG-ED Funds: CDBG-ED funds would be used for consultant fees to perform development planning on the Mandeville Farm and Mandeville Property. The goal is to develop the adjacent properties as mixed-use (industrial and economic development use as well as housing).

The City purchased Mandeville Farm, and the Mandeville Property is held under state trust. The City and DNRC are working together to develop the property. DNRC and City funds are committed.

Grantee: **City of Miles City**
Project Number: MT-CDBG-EDPG11-03

Project Location: Miles City Montana
Financing Date: January 3, 2011

CDBG-ED Funds: $ 2,670
Other Funds:
City of Miles City $ 2,960

Total Match	$ 2,960
Total Project	$ 5,630
Job Creation:	Not applicable
LMI Jobs:	Not applicable

Use of CDBG-ED Funds: CDBG-ED funds would be used for the purchase of ArcGIS Software and necessary equipment and supplies in an effort to assist a community wide effort of compiling an Economic Development Strategy.

Grantee:	**Roosevelt County**
Project Number:	MT-CDBG-EDPG11-04
Project Location:	Wolf Point Montana
Financing Date:	January 25, 2012
CDBG-ED Funds:	$ 25,000
Other Funds	
Great Northern Development	$ 10,000
Big Sky Trust Fund	$ 26,250
Total Match	$ 26,250
Total Project	$ 61,250
Job Creation:	Not applicable
LMI Jobs:	Not applicable

Use of CDBG-ED Funds: Proposed use of funding is to complete a regional needs assessment for Sheridan, Daniels, Roosevelt, Valley, McCone and Garfield Counties in northeastern Montana.

Grantee:	**Toole County**
Project Number:	MT-CDBG-EDPG11-05
Project Location:	Shelby Montana
Financing Date:	January 25, 2012
CDBG-ED Funds:	$ 15,000
Other Funds	
Toole County	$ 7,500
City of Shelby	$ 7,500
Total Match	$ 15,000
Total Project	$ 30,000

Job Creation: Not applicable

LMI Jobs: Not applicable

Use of CDBG-ED Funds: Proposed use of funding is for assistance with the preparation of a strategic analysis that will examine future infrastructure needs and identify social impacts of anticipated economic growth within Toole County.

HOME Program FFY 2011 Competitive Awards – Round 1

(Round 1 Application Deadline: February 11, 2011)

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 2011 Competitive Project Awards – Round 2

(Round 2 Application Deadline: August 12, 2011)

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

The Single Family Noncompetitive Program (SFNP), the HOME program allocated approximately 25% of its 2011 HUD allocation ($1,037,057) to the SFNP, distributed among four regions of the state according to a formula. As of March 31, 2011, HOME had committed $207,653 and expended $137,420.33 of FFY 2011 SFNP funds. In addition, $440,457.50 in program income and recaptured funds had been committed, with $430,457.50 expended.

Qualified Entities Accessing Single Family Noncompetitive Program Funds
4/1/2011 – 3/31/2012

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

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

The following table presents the distribution of funds for May 1, 2011 - April 30, 2012[2]:

EMERGENCY SOLUTIONS GRANTS 05/01/2011 – 04/30/2012		
AGENCY	**HUD FUNDING**	**SERVICES**
Action for Eastern Montana – Glendive (District 1, 2, 3)	$ 38,335	Essential Services: The housing program staff advocates for, makes referrals for, and acts as liaison between, homeless individuals & social service agencies by coordinating Emergency Services efforts with local groups. Shelter Maintenance: Provide shelter rent, furnishing, utilities, insurance & Maintenance for Matthew House in Sidney & the New Life Mission in Poplar. Homeless Prevention Activities: One-time payment for utilities, rent or deposit for families facing eviction/shut-off. Security deposits to enable families to move into a dwelling of their own.
District IV HRDC – Havre (District 4)	$ 13,428	Essential Services: Essential services provided with this funding include support groups, individual support, referral, advocacy, and transport. 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)	$ 48,017	Essential Services: Provide advocacy and mentoring to prevent eviction and/or obtain permanent housing for 20 households; refer 12 to job service/training; refer to or provide life skill training such as, budgeting, self-esteem, stress management for 15. Shelter Maintenance: Maintenance for Medicine Bear Lodge for facility repairs and fixture update for safety, furniture and fixtures and for Kairos Youth Home and equipment update for Children's Receiving Home. Homeless Prevention Activities: Direct services of shelter and/or prevent eviction for 50 households.
District VI HRDC – Lewistown (District 6)	$ 10,321	Homeless Prevention Activities: Homeless prevention activities in the form of rent or mortgage assistance and utility termination prevention services.

[2] The ESG contract year with its subgrantees runs from May 1 to April 30. As of the date of publication, final numbers were not available.

EMERGENCY SOLUTIONS GRANTS 05/01/2011 – 04/30/2012		
AGENCY	**HUD FUNDING**	**SERVICES**
District VII HRDC – Billings (District 7)	$ 64,098	Essential Services: Provision of essential services to the homeless. Shelter Maintenance: Payment of maintenance, operation, rent, repair, security, fuels and equipment, insurance, utilities and furnishings. Homeless Prevention Activities: Homeless prevention activities.
Rocky Mountain Development Council – Helena (District 8)	$ 29,840	Essential Services: Contract with Helena Indian Alliance (Leo Pocha Clinic) for provision of medical and medically related services to homeless individuals and families. Shelter Maintenance: Contract with three local area emergency shelters for provision of shelter and related services to homeless individuals and families, The shelters with whom RMDC contract are The Friendship Center, God's Love and Montana Youth Homes.
District IX HRDC – Bozeman (District 9)	$ 33,563	Essential Services: Funds are used to provide essential services to homeless persons. Teach Encourage Assist & Model (TEAM Mentoring) assists 8-10 individuals being released from prison to obtain employment, permanent housing and address barriers to building positive relationships. Funds are also used by HRDC Housing Advocates and Family Promise to provide assistance in securing permanent housing and obtaining other Federal, State or local support services for persons living on the street, in emergency shelter or in transitional housing. Shelter Maintenance: Funds are used to reimburse allowable shelter operational costs for the Network Against Violence, HRDC Transitional Housing and Family Promise for homeless persons. Homeless Prevention Activities: Stop foreclosure or evection per ESGP guidelines. Application taken during office hours by Housing Advocate Staff at the HRDC Livingston and Bozeman offices.
Community Action Partnership of NW MT – Kalispell (District 10)	$ 56,612	Essential Services: Case management services to homeless and transitional families provided by CAP NW MT and area providers. Shelter Maintenance: Funds subgranted to area homeless shelters Homeless Prevention Activities: Funds provided by CAP and/or subgranted to area providers of short-term subsidies for emergency shelter.
District XI HRC – Missoula (District 11)	$ 57,180	Essential Services: Funds are provided to Salvation Army Emergency Housing in Ravalli County and HRC Mineral County Emergency Housing. Shelter Maintenance: Shelter expenses at Poverello Center, YWCA Pathways, Youth Homes, Salvation Army (Missoula) and Supporters of Abuse Free Environments (SAFE) Homeless Prevention Activities: First Call for Help Information and Referral Line
District XII HRDC – Butte (District 12)	$ 29,577	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	**$ 380,971**	

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 3/31/2011
		Grant Amount	Amount Expended	%	Grant Amount	Amount Expended	%	
Financial Assistance								
Action for Eastern Montana – Glendive	$ 92,412	$ 81,872	$ 62,035	76%	$ 10,540	$ 6164	58%	$ 68,199
District IV HRDC – Havre	$ 106,226	$ 78,724	$ 78,714	100%	$ 27,502	$ 27,502	100%	$ 106,216
Opportunities, Inc. - Great Falls	$ 289,135	$ 237,078	$ 148,345	63%	$ 52,057	$ 44,655	86%	$ 193,000
District VI HRDC – Lewistown	$ 98,627	$ 74,262	$ 71,729	97%	$ 24,365	$ 24,335	100%	$ 96,064
District VII HRDC – Billings	$ 531,828	$ 317,768	$ 300,358	95%	$ 214,060	$ 172,552	81%	$ 472,910
Rocky Mountain Development Council – Helena	$ 220,225	$ 106,013	$ 89,749	85%	$ 114,212	$ 70,637	62%	$ 160,386
District IX HRDC – Bozeman	$ 286,842	$ 201,057	$ 188,292	94%	$ 85,785	$ 80,111	93%	$ 268,403
Community Action Partnership of NW MT - Kalispell	$ 335,250	$ 271,000	$ 233,715	86%	$ 64,250	$ 45,924	71%	$ 279,639
District XI HRC – Missoula	$ 339,261	$ 263,172	$ 263,172	100%	$ 76,089	$ 76,088	100%	$ 339,260
District XII HRDC – Butte	$ 127,053	$ 65,000	$ 26,250	40%	$ 62,053	$ 37,771	61%	$ 64,021
Total Allocated & Expenses	**$2,426,859**	**$ 1,695,946**	**$1,462,359**	**86%**	**$ 730,913**	**$ 585,739**	**80%**	**$2,048,098**
Housing Relocation & Stabilization Services								
Action for Eastern Montana – Glendive	$ 16,853	$ 16,853	$ 10,840	64%	$ 0	$ 0	0%	$ 10,840
District IV HRDC – Havre	$ 8,444	$ 6,880	$ 6,890	100%	$ 1,564	$ 1,564	100%	$ 8,454
Opportunities, Inc. - Great Falls	$ 113,356	$ 58,945	$ 38,924	66%	$ 54,411	$ 36,480	67%	$ 75,404
District VI HRDC – Lewistown	$ 8,890	$ 7,154	$ 6,711	94%	$ 1,736	$ 1,736	100%	$ 8,447
District VII HRDC – Billings	$ 98,087	$ 47,733	$ 37,892	79%	$ 50,354	$ 49,818	99%	$ 87,710
Rocky Mountain Development Council – Helena	$ 60,857	$ 31,877	$ 23,332	73%	$ 28,980	$ 19,905	69%	$ 43,237
District IX HRDC – Bozeman	$ 89,000	$ 54,230	$ 49,461	91%	$ 34,770	$ 29,425	85%	$ 78,886
Community Action Partnership of NW MT - Kalispell	$ 148,629	$ 90,742	$ 47,956	53%	$ 57,887	$ 18,636	32%	$ 66,593
District XI HRC – Missoula	$ 138,539	$ 90,742	$ 90,742	100%	$ 47,797	$ 47,797	100%	$ 138,540

Activity Type	Committed to Activities	Homeless Prevention			Homeless Assistance			Expended through 3/31/2011
		Grant Amount	Amount Expended	%	Grant Amount	Amount Expended	%	
District XII HRDC – Butte	$ 78,090	$ 39,590	$ 29,820	75%	$ 38,500	$ 25,754	67%	$ 55,574
Total Allocated & Expenses	**$ 760,745**	**$ 444,746**	**$ 342,568**	**91%**	**$ 311,064**	**$ 231,118**	**74%**	**$ 573,686**

SUMMARY OF EXPENDITURES BY ACTIVITY Expenditures ($) – Grant to Date			
	Homeless Prevention	**Homeless Assistance**	**Total**
Financial Assistance	$1,462,359	$ 585,739	$ 2,048,098
Housing Relocation & Stabilization Services	$ 342,568	$ 231,118	$ 573,686
Data Collection & Evaluation			$ 143,668
Administration			$ 105,901
TOTAL			**$ 2,871.353**
TOTAL GRANT AMOUNT			**$ 3,731,327**
The amount of funds expended (costs incurred, not necessarily drawn down) for each activity type, for the grant to date.			

State of Montana HPRP Performance Report for Period Ending 3/31/2012

PERSONS AND HOUSEHOLDS SERVED	Homeless Prevention		Homeless Assistance		Total	
	Persons	**Hshlds**	**Persons**	**Hshlds**	**Persons**	**Hshlds**
TOTAL SERVED						
TOTAL SERVED: Grant to Date (Unduplicated)	**3,308**	**1,264**	**1,332**	**609**	**4,552**	**1,828**
TOTAL SERVED BY ACTIVITY (#)						
ACTIVITIES:						
Financial Assistance:						
Rental assistance	2,688	1,017	963	416	3,578	1,398
Security & utility deposits	894	344	988	444	1,809	756
Utility payments	209	71	17	7	225	77
Moving cost assistance	13	5	4	4	17	9
Motel & hotel vouchers	18	10	94	54	106	60
Total-Financial Assistance: Grant to Date (Unduplicated)	**3,047**	**1,161**	**1,229**	**562**	**4,194**	**1,682**
Housing Relocation & Stabilization Services:						
Case management	3,184	1,209	1.272	578	4,368	1,743
Outreach & engagement	54	18	19	7	73	25
Housing search & placement	68	22	222	90	268	102
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	**3,198**	**1,214**	**1,283**	**583**	**4,393**	**1,753**

"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	0.48%	0.44%
Rental by client, no housing subsidy	3,509	90.93%	86.99%	1,039	82.46%	75.45%
Rental by client, VASH housing subsidy	1	0.03%	0.02%	16	1.27%	1.16%
Rental by client, other (non-VASH) housing subsidy	297	7.70%	7.36%	188	14.92%	13.65%
Owned by client, no housing subsidy	46	1.19%	1.14%	8	0.63%	0.58%
Owned by client, with housing subsidy	0	0.00%	0.00%	2	0.16%	0.15%
Staying or living with family, permanent tenure	6	0.16%	0.15%	0	0.00%	0.00%
Staying or living with friend, permanent tenure	0	0.00%	0.00%	1	0.08%	0.07%
Total Persons Leaving for Permanent Destinations	**3,859**	**100.00%**	**95.66%**	**861**	**100.00%**	**91.50%**
Temporary Destinations						
Emergency shelter, including hotel or motel paid for with emergency shelter voucher	8	38.10%	0.20%	7	25.00%	0.51%
Transitional housing for homeless persons (including homeless youth)	0	0.00%	0.00%	0	0.00%	0.00%
Staying or living with family, temporary tenure	8	38.10%	0.20%	0	0.00%	0.00%
Staying or living with friend, temporary tenure	1	4.76%	0.02%	5	17.86%	0.36%
Hotel or motel paid for without emergency shelter voucher	4	19.05%	0.10%	10	35.71%	0.73%
Place not meant for human habitation	0	0.00%	0.10%	6	21.43%	0.44%
Safe Haven	0	0.00%	0.00%	0	0.00%	0.00%
Total Persons Leaving for Temporary Destinations	**21**	**100.00%**	**0.52%**	**28**	**100.00%**	**2.03%**
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%	0.17%	2	100.00%	0.15%
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%**	**0.25%**	**2**	**100.00%**	**0.15%**
Miscellaneous						
Other Destinations	11	7.64%	027%	1	1.15%	0.07%
Deceased	1	0.69%	0.02%	1	1.15%	0.07%
Don't know / refused	105	72.92%	2.60%	75	86.21%	5.45%
Missing this information	27	18.75%	0.67%	10	11.49%	.73%
Total for Miscellaneous	**144**	**100.00%**	**3.56%**	**68**	**100.00%**	**6.32%**
TOTAL PERSONS WHO LEFT THE PROGRAM	**4,034**		**100.00%**	**1,377**		**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/HOPWA Program was awarded an additional grant in 2011, TS HELP Plus for a three-year funding period, October 1, 2011 through September 30, 2014, for $1,430,000. Although the TS HELP/HOPWA Program reports to HUD separately, a summary of its results are presented for the two regions of Montana, Billings in the east and Missoula in the west, were awarded a combined total of approximately $874,586 for the three year period. This includes supportive services,

administration and $200,760 annually for rental assistance and short-term emergency assistance. The HOPWA Program provides tenant based rental assistance, emergency assistance, and housing coordination services to individuals living with HIV/AIDS in Montana through the management of the Yellowstone AIDS Project (YAP) in Billings and the Missoula AIDS Council (MAC).

Additionally, the TS HELP was awarded a renewal grant for $1,484,420, which will commence 9/1/2012 through 8/31/2015. This grant provides an additional $874,586 over a three year period. This includes the supportive services and sponsor administration and $176,178 annually for rental assistance and short-term emergency assistance.

Data collected by the YAP and the MAC housing coordinators for the TS HELP and TS HELP Plus grants are presented in the following table.

Montana Progress Report, October 2010 through September 2011		
Total Clients Receiving Services: 137		
Gender:	Male: 88	Female: 49
Ethnicity:	Non-Hispanic: 146	Hispanic: 9
Race:	African/American: 3	Native American: 6
Recent Living Situation:	Homeless: 30	Rent/Own Home 19
	Detox Cntr/Incarcerated 5	Previous HOPWA 92
Assistance Provided:		
Total # Receiving Short-Term/Emergency Assistance: 47		
Total funds spent on Short-Term/Emergency Assistance .....$ 65,757		
Total # Receiving Long-Term (*began with LT or moved to LT after being assisted with ST*)..... 95		
Total funds spent on Long-Term Assistance .....$ 322,547		
Total # Receiving Short-Term/Emergency Assistance: 47		
Total Funds Spent on Housing Assistance (*rental assistance & short-term emergency assistance*)**: .....$ 388,547**		
Outcomes:		
Income producing jobs**.....16**		

U.S. Department of Energy and Other Energy Programs

In the plan year ended 2012, 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	$1,923,710
U.S. Department of Health and Human Services (LIHEAP)	$ 6,320,892
NorthWestern Energy	$ 1,911,001
Bonneville Power Administration	$ 301,320
USB/MDU[3]	$ 300,000
Total	**$10,756,923**

[3] Universal System Benefits/Montana Dakota Utilities

Weatherization activities consist primarily of attic, wall and floor insulation; furnace repairs and replacements; and infiltration reduction measures. Only measures demonstrating a savings to investment ratio of at least 1.0 (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) ..... $ 12,093,285
Utility Company Low Income Discount ..... $ 5,624,958
Total ..... $ 17,718,243

Using 2009 DOE ARRA funding for the Weatherization Assistance Program, MDPHHS allocated $24,567,589 to 10 HRDCS and the Tribes and completed 3,823 energy audits. The following table reflects the activities performed under this grant as of March 31,2012.

HRDC	Total Allocated	Completed Audits
Action for Eastern Montana	$ 2,274,038	270
Community Action Partnership of NW MT	$ 3,015,229	418
District IV HRDC	$ 1,189,900	120
District IX HRDC	$ 1,786,920	320
District VI HRDC	$ 590,190	66
District VII HRDC	$ 3,217,597	705
District XI HRDC	$ 3,250,443	459
District XII HRDC	$ 2,742,465	560
Opportunities Inc	$ 3,636,905	601
Rocky Mountain Development Council	$ 1,794,203	203
Tribal	$ 1,069,699	101
Totals	**$ 24,567,589**	**3,823**

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 beginning April 1, 2011, MBOH received six applications totaling $36 million in project costs. The Board funded those projects with $2,899,000 of federal tax credits to build 238 units of rental housing.

Project(s)	City/Town	Total Project Costs	Tax Credits Awarded
Sentinel Village Apartments	Missoula	$ 5,789,502	$ 484,828
Lolo Vista Apartments	Lolo	$ 6,222,845	$ 607,500
Meadowlands Apartments	Butte	$ 6,714,311	$ 606,925
Buffalo Court	Havre	$ 2,872,069	$ 485,000
Aspen Place	Missoula	$ 6,224,002	$ 214,747
Solstice	Missoula	$ 8,200,589	$ 500,000
TOTAL COSTS		**$ 36,023,318**	**$ 2,899,000**

For the plan year ending March 31, 2011, MBOH received seven applications totaling nearly $42.8 million for consideration of award of the $2,465,000 in tax credits available.

Project(s)	City/Town	Total Project Costs	Tax Credits Requested
Fort Peck Homes II	Poplar & Wolf Point	$ 5,310,190	$ 614,401
Aspen Place	Missoula	$ 6,536,706	$ 421,753
River Rock Residences	Helena	$ 6,125,252	$ 616,250
The Palace Apartments	Missoula	$ 7,338,509	$ 525,000
Cascade Ridge Senior Living	Great Falls	$ 5,502,169	$ 604,527
Eagles Manor Apartments	Great Falls	$ 5,575,131	$ 514,416
Hyalite Apartments	Bozeman	$ 6,387,580	$ 616,250
TOTAL COSTS		**$ 42,775,537**	**$ 3,912,597**

With the passage of ARRA 2009, for the plan year ending March 31, 2009, MBOH received $17,825,673 in Exchange funding. MBOH received $7,818,360 of TCAP funds. These funded eight new and three existing projects. All funds have been allocated with 92% of the funds expended.

I.B.2 FEDERAL SOURCE - LOCAL ADMINISTRATION

U.S. Department of Housing & Urban Development Programs

Supportive Housing Program and Shelter Plus Care

Funds for Supportive Housing and Shelter Plus Care are available on a competitive basis through the state's Continuum of Care process. During the 2011 plan year, the following renewal proposals for renewed supportive housing were approved by HUD.

MONTANA'S STATEWIDE CONTINUUM OF CARE
HOMELESS ASSISTANCE GRANTS
FEDERAL FISCAL YEAR 2011

Applicant / Project Sponsor	Project Name	Received
Missoula County	Ada's Place Transitional Housing-SHPR	$ 102,371
Mountain Home Montana, Inc.	B. Hamilton Project-SHPR	$ 76,798
Northwest Montana Human Resources, Inc.	Courtyard Apartments-SHPR	$ 35,769
Public Housing Authority of Billings	FY 2010 Shelter + Care Renewal-SPCR	$ 96,480
God's Love, Inc.	God's Love FTC-SHPR	$ 143,305
District 7 HRDC	Harmony House-SHPR	$ 63,868
Helena Housing Authority	Helena Housing Authority Shelter Plus Care-SPCR	$ 184,128
HRC District XII	Homeward Bound FY2010-SHPR	$ 90,958

State of Montana, Dept of Commerce	Housing Division SPC - SPCR	$ 247,500
Poverello Center Inc.	Joseph Residence at Maclay Commons-SHPR	$ 69,467
Missoula Housing Authority	MHA 102 Shelter Plus Care Renewal 2010-SPCR	$ 818,256
State of Montana	MTHMIS Project 2011 Funding-SHPR	$ 66,980
Florence Crittenton Home & Services	Pathways to Success-SHPR	$ 124,546
Public Housing Authority of Butte	Public Housing Authority of Butte S+C-SPCR	$ 85,032
Supporters of Abuse Free Environments (SAFE), Inc.	SAFE Transitional Housing-SHPR	$ 34,000
Samaritan House, Inc.	Samaritan House, Inc.-SHPR	$ 63,000
Missoula County	SHARE House-SHPR	$ 147,498
Second Chance Homes	Second Chance Homes	$ 51,619
HRDC District IX	HRDC09 Transitional Housing	$ 38,948
HRDC District IX	HRDC09 Family Housing	$ 51,600
Housing Authority of Billings	FY 2010 Shelter Plus Care	$ 182,760
		$2,774,883

Fair Housing Intiatives 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 9/30/2011 (FFY 2011)			
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
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

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

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 2011, the following projects were awarded:

	FY 2011 CONTRACTS					
FY	TRIBAL GRANTEE	PROJECT	AWARD	MATCHING FUNDS	TOTAL PROJECT FUNDS	POTENTIAL JOBS CREATED/ TRAINED/ RETAINED
2011	Blackfeet	Blackfeet Small Business Development Fund and Chewing Blackbones Campground	$80,000	$70,000	$150,000	7 created or retained
2011	Chippewa Cree	Rocky Boy Vets Work Project 2011 & Fiscal/Economic Development Strategy	$80,000	$70,000	$150,000	5 CNAs trained 1 Vet Coordinator ret. 1 Vet Coordinator create
2011	Confederated Salish & Kootenai	Indian Business Assistance Project	$80,000	90000	$170,000	5-10 business creates or exp. 1FTE retained
2011	Crow	Apsáalooke Nation RLF Technical Assistance 2011	$80,000	$130,500	$210,500	1
2011	Fort Belknap	Fort Belknap Smokehouse Grocery Project	$80,000	$70,000	$150,000	6
2011	Fort Peck Tribes	Oilfield Services Feasibility Study & Small Business Owner Grants	$80,000	$70,000	$150,000	10

2011	Northern Cheyenne	Nothern Cheyenne Arts, Crafts, and Tourism Center	$80,000	$97,300	$177,300	1.5
2011 SUBTOTALS			**$560,000**	**$597,800**	**$1,157,800**	

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 up for school facility and technology 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
	Total	**$21,676,229**

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
	Total	**$1,800,000**

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
	Total	**$200,000**

Primary Sector Workforce Training Grant

In state fiscal year 2011, the Workforce Training Grant Application Review Committee awarded WTG funds to the following Montana businesses:

- Simms Fishing Products $102,355.31
- Plastic Design & Manufacturing - Manhattan $14,063.25
- Goomzee Corporation - Missoula ..... $ 85,885
- Pyramid Mountain Lumber – Seeley Lake ..... $ 94,000
- Rivertop Renewables, Inc - Missoula. ..... $ 165,815
- Montana Silversmiths, Inc - Columbus..... $ 303,407
- ACS State Healthcare LLC - Helena..... $ 1,000,000
- Advanced Technology Group, Inc. ..... $ 125,000
- Sidney Sugars..... $ 69,763
- CenturyLink..... $ 452,721
- ConocoPhillips Company ..... $ 415,933

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

Assisted Entity:	**John Jump Trucking, Inc.**	
Project Location:	Kalispell, Flathead County	
Loan Closing Date:	2/8/2012	
Loans:		
EDA WPIRS	$ 23,750	
State WPIRS	$121,250	
Other Funds:	$175,000	Owner Investment
Total Project:	$320,000	

Proposed Job Retention: 15.5 FTEs
Proposed Job Creation: 6 FTEs

Use of WPIRS Funds: MDOC approved a $23,750 loan from the EDA WPIRS program and a $121,250 loan from the State WPIRS program. These loans are to be used for working capital and to pay off a note payable for fuel costs.

Montana Board of Housing

Homeownership Mortgage Revenue Bond Program

During the period April 1, 2011 through March 31, 2012, MBOH provided 288 loans totaling more than $37,799,986 to homeowners, with an average loan amount of about $131,250. The average income of the homeowners was $47,085.

The number of loans made during this time is much lower than at any other time in recent MBOH history. Disruptions in the mortgage revenue bond market caused by the fallout from the subprime mortgage crisis prevented the Homeownership program from issuing a new bond series for use in purchasing individual mortgage loans during this entire time period. In late August of 2008, taxable interest rates for 30-year mortgages fell below the interest rate for tax-exempt 30-year mortgage bonds and shortly thereafter, stock prices began to decline, effectively eliminating the market for tax-exempt bonds. Moreover, market mortgage interest rates continued to remain low. In December of 2009, MBOH participated in the Treasury Department special escrow bond program for housing finance agencies. The commitment of low cost long-term bond financing allowed MBOH to offer loans at 5.125% beginning in January of 2010. This rate was subsequently reduced to 4.75%. However, the conventional market for first mortgage loans was at or below these levels through most of the year. As a result, the low volume of loans experienced earlier in the year was reduced to approximately 15% of the average number of loans made annually by MBOH over the past fifteen years. However, Montana's MBOH eligible borrowers did not suffer from this lack of lending by MBOH; the conventional market was offering 30-year, fixed rate loans at even lower interest rates than those offered by MBOH.

Mortgage Credit Certificate Program

For the year ended March 31, 2011, MBOH provided 76 Mortgage Credit Certificates to homebuyers. The loans totaled $12,009,555 for families with an average household income of $50,051. The tax credits totaled $2,401,911, averaging $31,604 per homeowner.

Set-aside Homeownership Mortgage Program

During the period April 1, 2011 through March 31, 2012, MBOH provided 10 loans totaling $957,216 to lower income homeowners, with an average loan amount of $95,722. The average income of the homeowners was $37,925.

Disabled Accessible Affordable Homeownership Program

For the year ended March 31, 2011, MBOH financed three homes for $319,638 to provide affordable, architecturally accessible homes for people with disabilities so they can live independently. The average income of program participants was $9,724, and the average loan amount was $106,546.

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 yet to be 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 begun work on a second home.

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

Two RAM loans closed during the plan year ended March 31, 2012 and one loan was in process. Through March 31, 2011, the program had assisted 189 senior households since it began taking applications. As of March 31, 2011, 1020 loans were paid off.

Housing Montana Fund

During the period April 1, 2011 through March 31, 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 during the period of April 1, 2011 to March 31, 2012.

I.B.4 GEOGRAPHIC DISTRIBUTION AND LOCATION OF INVESTMENTS

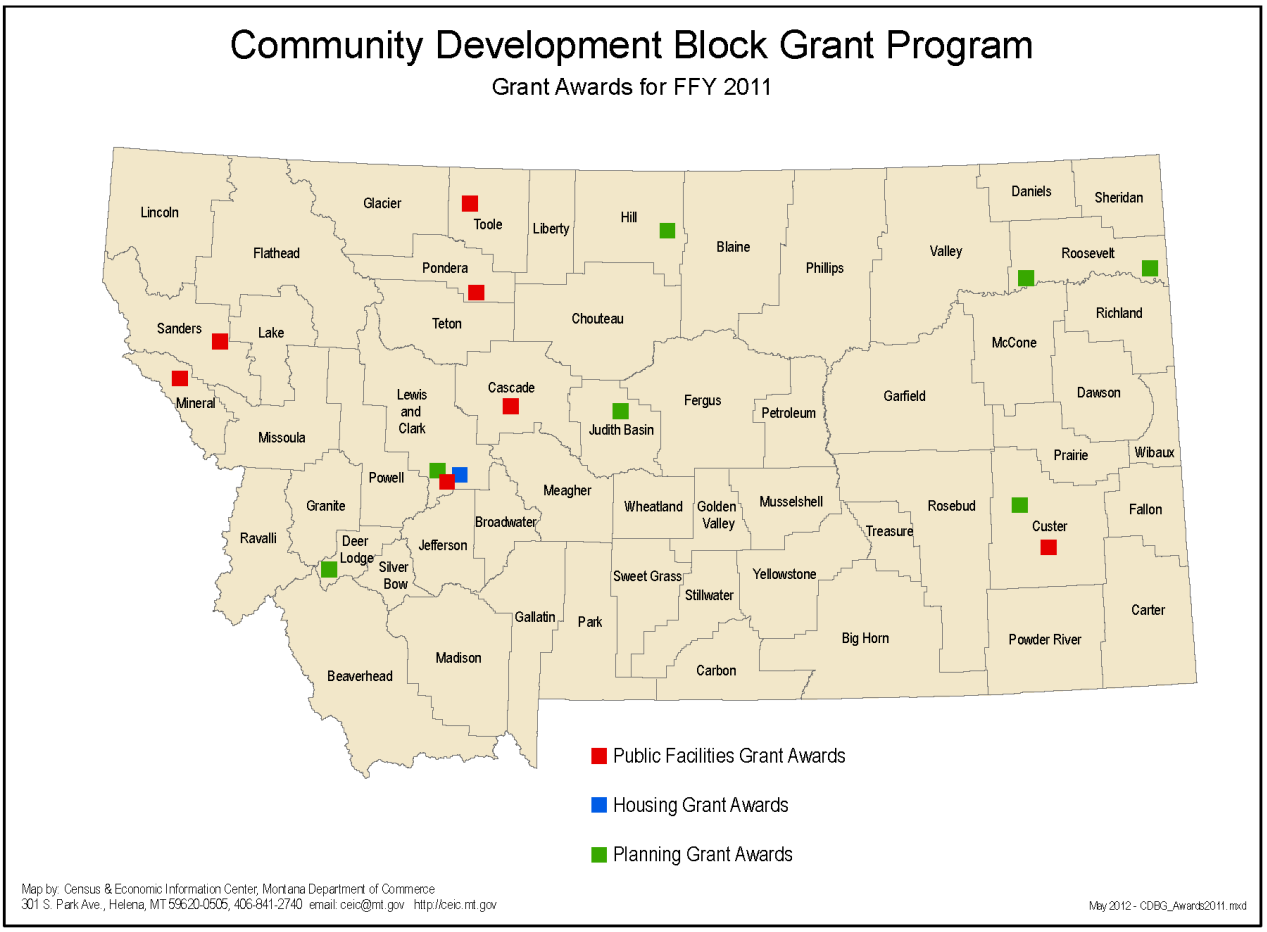
Housing and community development needs vary widely across Montana. The extreme diversity in available housing, age of housing stock, and overall range in population density complicate the assessment of the type and degree of housing and community

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.

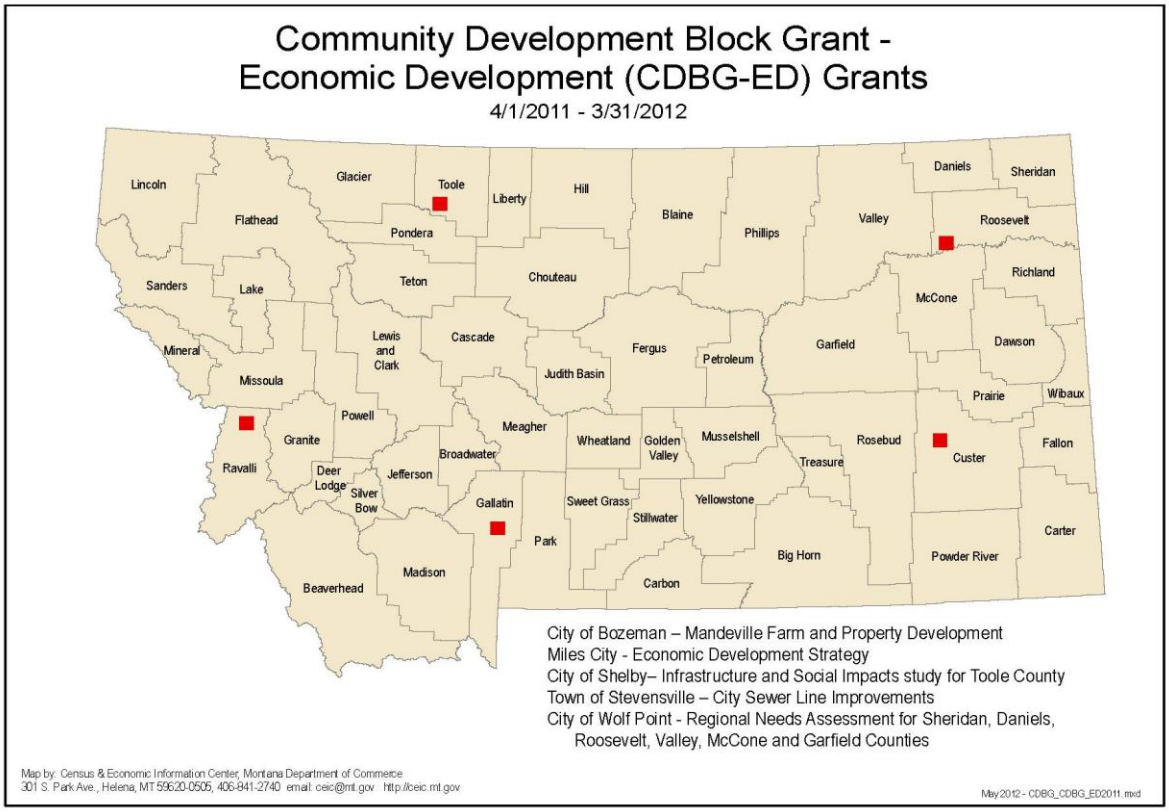
<u>CDBG FFY 2011 Public Facilities and Housing Rehabilitation Project and Planning Grant Awards</u>



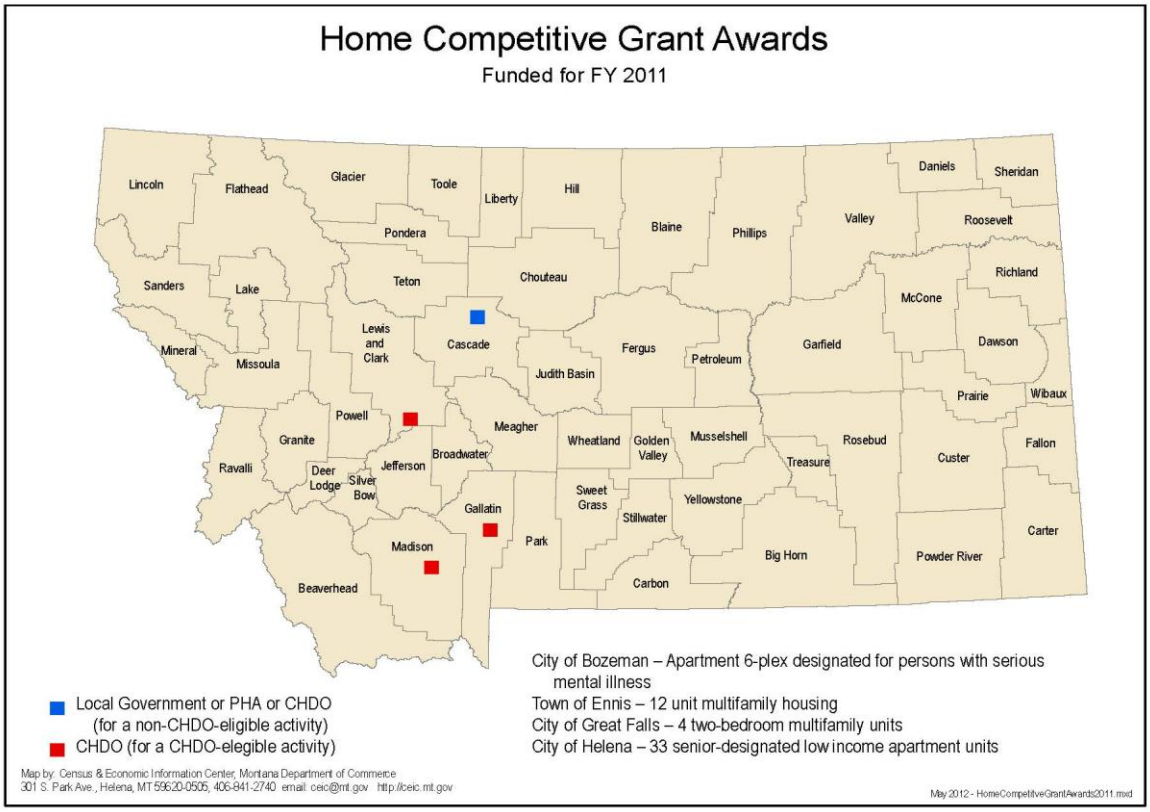
CDBG-R Awards (WPIRS Projects)

Due to limited funds there were no CDBG-R WPIRS awards in program year 2011.

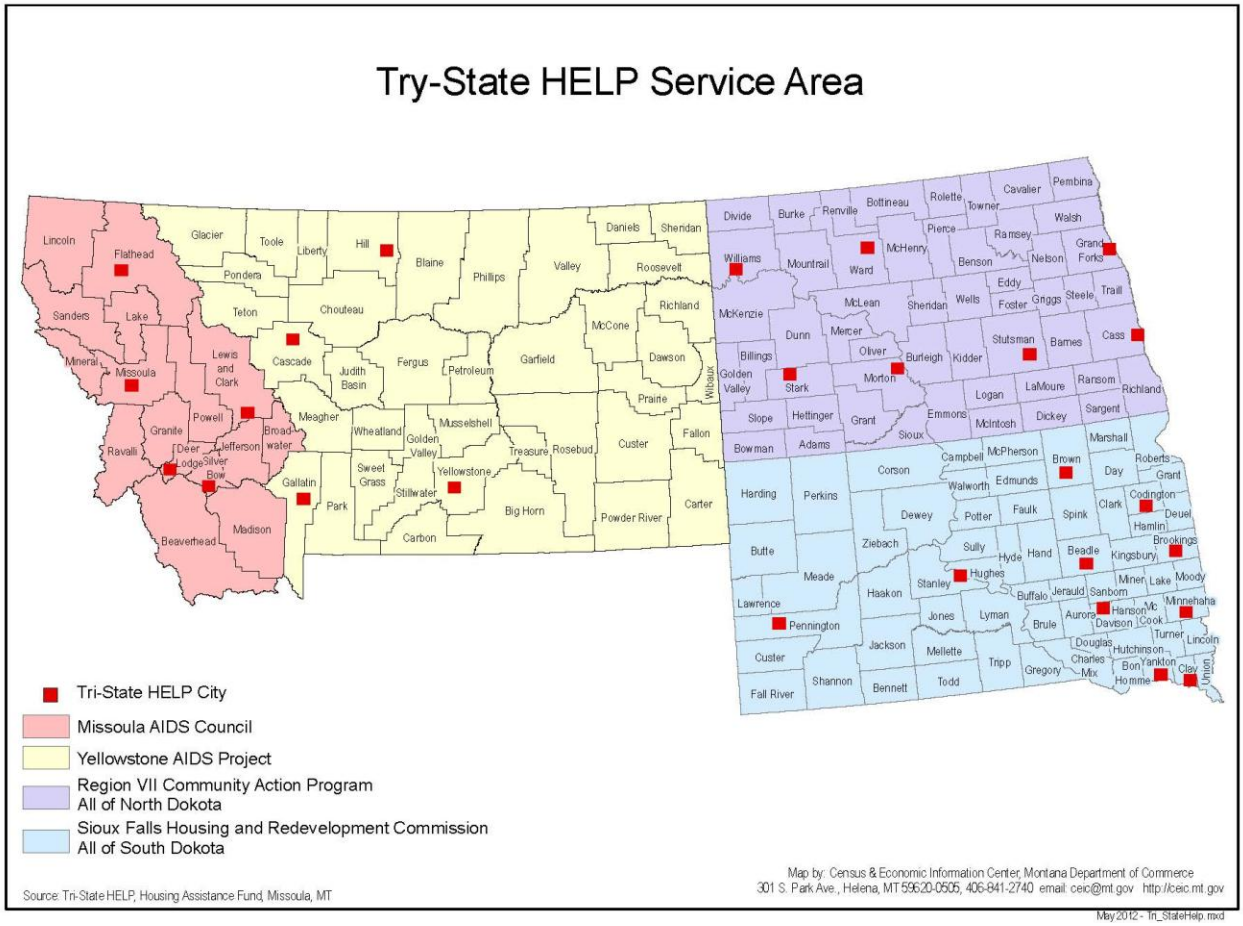
FFY 2011 CDBG Economic Development Project Awards



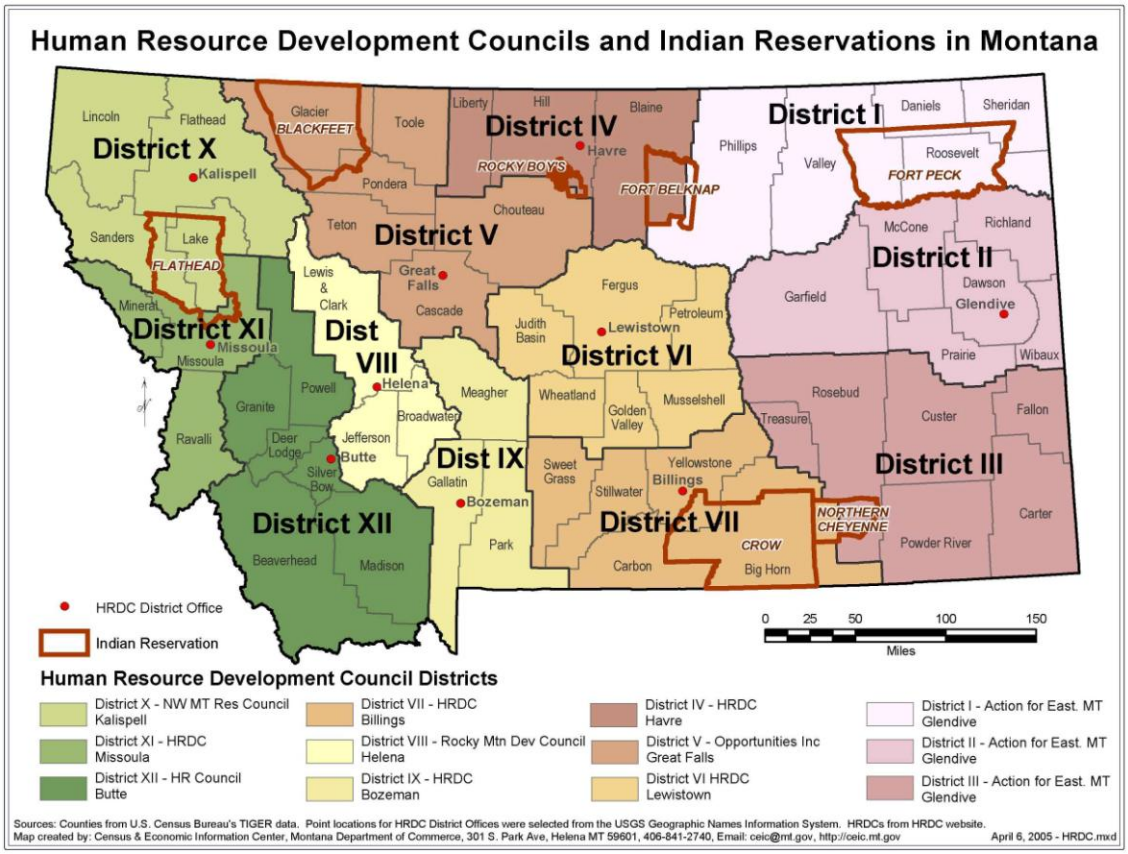
HOME Program FFY 2011 Competitive Awards



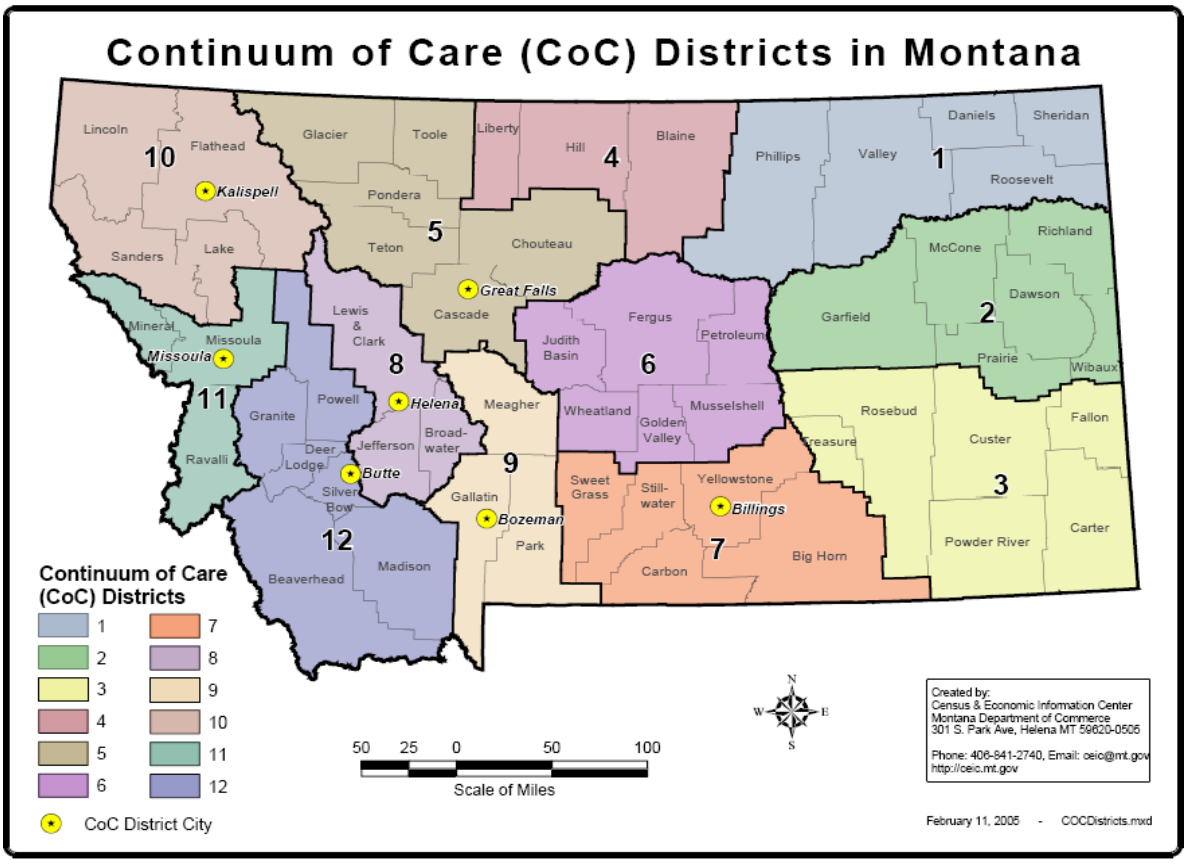
Tri-State HELP Service Area



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 loan review committee. Local governments that received grant assistance and assisted businesses followed contractual requirements as agreed upon by Commerce.

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

In addition, the HOME program allocated approximately 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 95% 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 year, CDBG-ED funds were matched with $400,000 of other funding; i.e., each CDBG-ED dollar was leveraged by over $1 in public and private funding. Based on the past five years, CDBG-ED funds have leveraged over 12 times the amount available for awards. On average, over the last five years $ 2,078,827 of CDBG-ED funds were leveraged with $26,061,904 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. For FFY 2011 funding awards, CDBG public facility funds leveraged $8,524,806 of other funds. CDBG housing funds leveraged other funds totaling $5,806,269.

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 $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.

[4] IDIS – PR33, HOME Matching Liability Report

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 $380,971 with an equivalent amount of match required to meet the ESG objectives. The ESG program has identified the following match for May 1, 2011 through April 30, 2012[5]:

FFY 2011 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**
Essential Services	$11,541	$11,428	$15,575		$19,230	$3,400	$9,927	$15,123	$4,991	
Shelter Maintenance	$15,484	$2,000	$20,506		$25,638	$30,973	$20,722	$23,850	$38,680	$67,602
Homeless Prevention	$11,310		$15,575	$12,593	$19,230		$10,069	$50,100	$15,890	
	$38,335	**$13,428**	**$51,656**	**$12,593**	**$64,098**	**$34,373**	**$40,718**	**$89,073**	**$59,561**	**$67,602**

May 1, 2011 – April 30, 2012 matching resources by subgrantee are:

- Action for Eastern Montana (AEM): Participant Match, Volunteer hours and donations
- District IV HRDC: United Way of Hill County, volunteer hours, and state domestic abuse
- Opportunities, Inc. (Opp, Inc.): United Way, Blackfeet Tribe, and community donations
- District VI HRDC: Program Participants
- District VII HRDC: Yellowstone County funding, client matches, and General Relief Fund
- Rocky Mountain Development Council (RMDC): Non-federal funds, local donations, and fee income
- District IX HRDC: Private foundations, United Way, state domestic violence, rent revenues and insurance proceeds.
- 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.

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

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

In addition to the on-site monitoring visits during the year, CDBG staff monitors each project through regular contacts with the local project manager and through written 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
    - 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 visitability

[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**

- 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.

  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

[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.

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.

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

SECTION D – AFFORDABLE HOUSING

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

LIHTC: The 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 2011, there were 22 units targeted for 40% AMI. A total of 238 units are being built. For 2011, the four projects that will receive an allocation of credits will target 18 of 155 units to households at 40% of AMI.

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.

[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/**

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.

Disabled Accessible Affordable Homeownership Program: During the period April 1, 2011 through March 31, 2012, MBOH financed three homes for $319,638 to provide affordable, architecturally accessible homes for people with disabilities so they can live independently. The average income of program participants was $9,724, and the average loan amount was $106,546. During the history of the program, MBOH has financed 216 homes with $15,652,532 in recycled mortgage funds.

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. During the period April 1, 2011 through March 31, 2012, MBOH purchased loans totaling $503,160, assisting five first-time homebuyers.

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. From April 1, 2011 to March 31, 2012 MBOH has provided $454,056 in financing for permanent mortgages for five Habitat for Humanity affiliate member families. The average income of the families assisted was $28,825. This financing allowed the local Habitat for Humanity affiliate to recover its construction cost from the homes constructed and start construction on additional homes. As of March 31, 2012, a total of 84 Habitat home loans totaling $5,877,748 have been financed by MBOH.

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. From April 1, 2011 through March 31, 2012, this program was not utilized.

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

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

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. This program was not used from April 1, 2011 through March 31, 2012.

Montana House™: Ten 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. Another was sold to the Habitat for Humanity of Anaconda. Board of Housing 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 yet to be 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 house and has begun construction on a second home.

Native American HUD Section 184 Set-aside: As the HUD Section 184 program becomes more familiar to lenders, more loans are being made on Montana reservations. From April 1, 2011 through March 31, 2012, Board of Housing was able to serve Native American homebuyers through the Regular Bond Program at a lower interest rate than the set-aside program and made one loan. Since inception, the program has provided 74 homeowners with $7,161,682 in home loans.

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, :The Department of Public Health and Human Services in concert with the Governor's office and other state agencies continue to view the program entitled Warm Hearts, Warm Homes as important to Montanans. This program was designed to assist in making information available to all Montanans to help them identify all programs that could benefit them. A web site was developed to meet the Governor's objective of advertising available resources and enlisting "Neighbor to Neighbor" community involvement. This web site has information about weatherization, saving energy, other resources to find help for families, and how to help others stay warm. Access the web site at: **deq.mt.gov/Energy/warmhomes/index.asp**

Montana's 10 HRDCs were key contacts for outreach and for making referrals to various programs. This assistance was viewed as important in helping people remain in their own homes. 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 current statewide homeless point-in-time survey has now been conducted five concurrent years following the same protocol and using a uniform survey instrument. The survey dates are consistent with the HUD

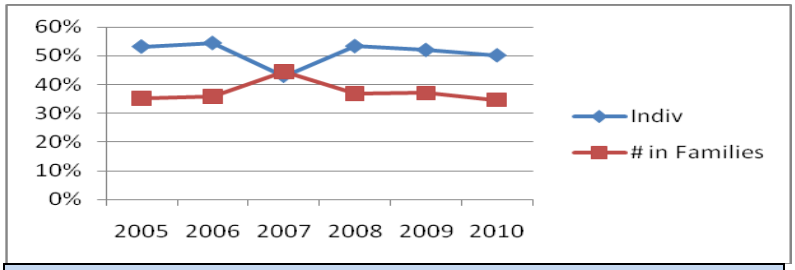
requirement to conduct surveys during the last week in January. The 2010 survey took place on January 28. Public Health and Human Services, the HRDC Association (community action agencies), and the statewide MT CoCC sponsor the survey of Montana's homeless population. It is implemented statewide using the 12 HRDC districts (see map on page 58). Survey efforts are based in the major population centers of each district where the majority—if not the only—services for the homeless exist (e.g., food banks, emergency shelters, soup kitchens and transitional housing). The population centers range in population from just over 100,000 to just under 5,000. Surveys are also conducted in the outlying communities using field offices of service providers, most notably the HRDCs. More than 200 organizations and 400 individual volunteers participate each year to reach as many homeless as possible. All surveys are scanned into a computer database, screened to eliminate duplicates and the data is converted to a query-based website for public access.

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

District 1 ..... Wolf Point
District 2 ..... Glendive
District 3 ..... Miles City
District 4 ..... Havre
District 5 ..... Great Falls
District 6 ..... Lewistown
(See map on page 59)

District 7 ..... Billings
District 8 ..... Helena
District 9 ..... Bozeman
District 10 ..... Kalispell
District 11 ..... Missoula
District 12 ..... Butte

Homeless numbers in Montana have fluctuated only slightly over the past six years, the 2010 survey showed a significant increase in individuals and a significant drop in families. While more extensive analysis is needed, one explanation for the drop in homeless family numbers is the presence of the ARRA Homeless Prevention and Rapid Re-housing Program, which was serving approximately 2,300 persons in 950 households around the same time as the Point-in-Time Survey.



By Year: Individuals, Families, # of Family Members						
	2005	2006	2007	2008	2009	2010
Individuals	808	803	565	838	726	822
Families	177	145	166	154	153	250
# in Families	535	528	585	580	518	569

More than half (55%) of Montana's homeless are found in only two districts anchored by the state's largest cities of Billings and Missoula. Another 38% can be found in the three areas of Great Falls, Helena and Kalispell with each sharing about 10% each. The remaining five districts share seven percent of the remaining homeless population.

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

District		Homeless	Pro Rata	CoC Grants
1,2,3	Glendive	1%	11%	0%
4	Havre	1%	4%	0%
5	Great Falls	8%	16%	0%
6	Lewistown	0%	3%	0%
7	Billings	25%	16%	6%
8	Helena	15%	6%	23%
9	Bozeman	2%	8%	0%
10	Kalispell	15%	13%	4%
11	Missoula	30%	13%	54%
12	Butte	5%	10%	6%
	State			**6%**

To address this issue, the MT CoCC is studying options for providing opportunities to fund new projects across the state as well as merging changes in the HEARTH Act[11] and incorporating lessons learned during implementation of the ARRA Homeless Prevention and Rapid Re-Housing program.

Montana Council on Homelessness

In response to the growing problem of homelessness in Montana, the Montana Council on Homelessness was originally convened by Executive Order in June 2004. Governor Brian Schweitzer renewed Montana's commitment to ending homelessness through Executive Order 40-2006, signed in December 2006, which restructured the MTCoH and extended it through December 31, 2008.

The work of the Governor's Council on Homelessness, coupled with research and outreach, provided the foundation for a 10-year plan to address homelessness as it exists in Montana, with an emphasis on ending chronic homelessness. Although Governor Schweitzer chose not to reinstate the MTCoH after Executive Order 40-2006 expired, overarching efforts to address homelessness in Montana have not been abandoned. State leaders remain committed to addressing homelessness by furthering the efforts to meet the goals of the 10-Year Plan[12].

Former staff to the MTCoH is working with a dedicated committee to create the Montana Coalition for the Homeless (MCH). MCH will be requesting 501(c)(3) status, implementing by-laws, and a governing board by fall 2010. The MCH will take a different

[11] Homeless Emergency and Rapid Transition to Housing Act of 2009, signed by President Obama on May 20, 2009: **http://www.hudhre.info/hearth/**

[12] **http://www.mtcoh.org/images/stories/montanas_10-year_plan_to_end_chronic_homelessness_and_reduce_homelessness_overall.pdf**

approach than that taken by any other organizations, including the MT CoCC. The focus of the MCH will be on education, advocacy, and providing a voice for people who have been, who are, who are at high risk of, or who have known someone well who has experienced homelessness. (Note: According to a running two-year survey by the MTCoH, this would apply to approximately 60% of Montanans.) Providing an effective mechanism for meaningful engagement of persons who have direct experience with homelessness will provide distinct value added to Montana's efforts as the HEARTH Act goes into its implementation phase. Additionally, this directly furthers Goal 1.1 of Montana's 10-Year Plan, which is to enhance state-level coordination around the issue of homelessness by creating a sustainable, multi-systemic infrastructure and coalition for addressing homelessness.

Staff time on a contracted basis has continued to be made available to assist community-level and state efforts in addressing homelessness. Consistent with Goal II: of the 10-year plan, former staff to the MTCoH, continues to serve as a technical assistance provider for the statewide community in its efforts to build capacity to address homelessness, including promulgating opportunities and mechanisms that enhance communities' ability to link homeless or at-risk persons with services through such efforts as supporting the SOAR initiative, assisting with community Stand Downs and Project Homeless Connect events, and participating on the Housing Coordinating Team. Because the creation of the 10-Year Plan engaged hundreds of Montanans, the expectation is that the new Montana Coalition for the Homeless will use the plan as a jumping off point for continued strategic planning and direct efforts.

Discharge Coordination Policy

The state is committed to the objective of not discharging someone into homelessness. On a practical level, not discharging someone into homelessness is easier said than done, particularly with the corrections population. Many housing policies preclude serving felons, and federal policy prevents sexual and violent offenders from accessing public housing. This population often does not have the resources to pay market rate for their housing, even if they can find someone to rent to them. Add in the lengthy wait for a housing choice voucher, and the problem of not discharging someone into homelessness becomes even more difficult. Unfortunately, the need for housing assistance is great and the vouchers and public housing resources are limited, so it is rare that someone being discharged from correctional facilities accesses a voucher. This is particularly difficult when the individual leaving a state corrections facility or county jail is suffering from disabilities, including one or more mental health diagnoses, physical disabilities, PTSD, organic brain damage, or co-occurring disorders that make it difficult to self-advocate.

One of the strategies implemented throughout Montana is to ensure that transition planners from the state prisons, prerelease facilities, and the state hospital have SOAR (SSI/SSDI Outreach, Access and Recovery) training, so that appropriate candidates being discharged have access to some income and to Medicaid. Several SOAR classes have been held specifically for persons who work on corrections transitions. This has

been a useful tool given that mental illness and co-occurring disorders are often linked, and it is not uncommon for prison to be one of the only times that an individual can be observed for the symptoms of mental illness without the effects of substance abuse. The Public Health and Human Services Addictive and Mental Disorders Division (AMDD) has begun providing staff to serve as the SOAR State Team Lead. AMDD has also begun making a concerted effort to send staff from the publicly funded mental health facilities to SOAR Train-the-Trainer events, with the intent of ensuring that each site has at least one SOAR trainer on staff. AMDD has also begun implementing evaluation strategies to ensure that the SOAR methods are working and that appropriate candidates are approved for SSI/SSDI benefits at the earliest possible juncture. This is a win-win for the AMDD: once SSI is approved, the individual is concurrently eligible for Medicaid, which provides a payment source for services provided.

Several innovative and successful tools are in place in Montana. The state's first Behavioral Health Program Facilitator was hired as a liaison between the departments of Corrections and Public Health and Human Services. Some of the other mechanisms put in place were discussed in the *Prevention Connection Newsletter*[13]), a publication funded through the state's Chemical Dependency Block Grant and published by the Prevention Resource Center. An article by the Behavioral Health Program Facilitator speaks to some of the efforts that ultimately will help keep persons who are mentally ill and reentering the community after prison sentences from becoming homeless.[14]

Additional mechanisms that may result in reduced homelessness due to addiction and co-occurring disorders include the state's residential treatment facilities for low-income citizens. Boyd Andrew Community Services was awarded a contract with the Public Health and Human Services in 2008 to administer and manage a multi-level residential treatment system, the Residential Treatment Expansion Consortium (RTEC). Among other things, RTEC provides a long overdue opportunity to bridge the treatment gap between Public Health and Human Services and the Montana Department of Corrections by providing a continuum of care for chemically dependent clients served by both departments.

The consortium providing this system consists of six separate "state approved" chemical dependency treatment programs working together under a unified administration. The treatment system represents state of the art in treatment technology and theory by providing treatment programming that combines nationally recognized American Society of Addiction Medicine (ASAM) diagnostic criteria and Therapeutic Community Milieu with a variety of cognitive behavioral therapies that are gender and culturally specific.

RTEC offers inpatient treatment beds for men and women, detox/crisis stabilization services for both men and women who are referred into the RTEC system, and five recovery houses located throughout Montana. RTEC is committed to providing long-

[13] **http://www.prevention.mt.gov/resource/prevconn/pcarchives.asp**

[14] **http://www.prevention.mt.gov/resource/prevconn/files/2008/Winter_2008.pdf**, page 21

term care to individuals with methamphetamine and other substance disorders. RTEC is able to offer a seamless continuum of care from detox/crisis stabilization services to inpatient treatment followed by recovery based support homes.

The seven consortium participating programs are:

- The Rimrock Foundation of Billings provides six inpatient treatment beds for men and two inpatient treatment beds for women. The average length of stay is approximately 45 days at an ASAM Level 3.5.
- The Elkhorn Treatment Center operated by Boyd Andrew Community Services in Boulder provides four inpatient treatment beds for women. The average length of stay is 9 months.
- The Blue Thunder Lodge operated by Gateway Recovery in Great Falls provides a cultural specific recovery based support home for Native American men. Length of stay is 9 months.
- The White Sky Hope Lodge operated by the White Sky Hope Center located on the Rocky Boy Reservation in Box Elder provides a cultural specific recovery based support home for Native American women. The length of stay is 9 months.
- The Olive Branch Home operated by Alcohol and Drug Services of Gallatin County in Bozeman provides a recovery based support home for men only. Length of stay is 9 months.
- The Lighthouse Recovery Home operated by Eastern Montana Community Mental Health Center in Miles City provides a recovery based support home for men only. The length of stay is 9 months.
- The Kalispell Women's Recovery Home operated by Flathead Valley Chemical Dependency Center in Kalispell provides a recovery based support home for women only. Length of stay is 9 months.

Youth: It is also very difficult to find housing for youth coming out of foster care. According to the National Resource Center for Permanency and Family Connections[15], as of September 30, 2009, 1,583 children were in the Montana foster care system. Most are placed in response to parental abuse or neglect. On average, the children who were in foster care on September 30, 2009 had been in care for 26.5 months. Approximately 12 percent (190 youth) were between 16 and 18 years of age, making them strong candidates for aging out of foster care. This is consistent with a Winter 2007 *Prevention Connection* article[16], which stated that approximately 1,700 Montana children are in foster care at any given time and that about 100 will age out each year. They will be at high risk of becoming homeless because they lack familial, economic and social

[15] National Resource Center for Permanency and Family Connections at the Hunger College School of Social Work (a service of the Children's Bureau ACF/DHHS): **http://www.hunter.cuny.edu/socwork/nrcfcpp/info_services/state/Montana.pdf**

[16] Foster Youth and Homelessness; Heather Winter; Winter 2007 Prevention Connection, page 6: **http://prevention.mt.gov/resource/prevconn/files/2007/prevconn_2007_winter.pdf**

resources, have limited education and employment experience, and receive relatively poor mental and physical health services.

The John H. Chafee Foster Care Independence Act of 1999 was created to assist with transition from foster care to independence. Its purpose was to provide states with flexible funding for financial, housing, counseling, employment, education and other supports and services targeted to former foster care recipients between the ages of 18 and 21. Children who are 16 or older and in foster care must have an independent living plan. Generally, children who are in foster care at this age are in planned permanent living arrangements, and independent living services are important in assuring these youth successfully transition to adulthood. While previously contracted out, services are currently provided "in house" by Public Health and Human Services Child and Family Services Division staff within each region[17]. The Child and Family Services Plan states as a goal: *Provide financial, housing, counseling, employment, education and other appropriate support services to former foster care recipients between 18 and 21 years of age to complement their own efforts to achieve self-sufficiency and to assure that program participants recognize and accept their personal responsibility for preparing for and making the transition into adulthood*. Some of the strategies noted under this goal include promoting the development of low cost housing and assisting youth in applying for Section 8 or other low-income housing. While these are laudable strategies, there is no housing available to meet the needs of youth who age out of foster care without a permanent, legal family. Youth have not had the opportunity to build credit or rental histories. Without children of their own or significant disabilities, there are few public resources they can access. Research shows that many will face significant obstacles including homelessness, depression, unemployment and engagement in teen risk behaviors including substance abuse. Eligible youth can access financial assistance with deposits, set up fees and up to three months of Chafee funds for room and board once they age out, but because of their many obstacles and without consistent, ongoing support it is difficult for youth to sustain housing once the subsidy runs out. The Chafee Program in Montana (the Montana Foster Care Independence Program), receives approximately $500,000[18] in an annual federal allotment for use statewide. About 10% to 15% of these funds are used for housing assistance.

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.

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[17] Harter, Elizabeth; Montana Department of Public Health and Human Services Child and Family Services Division; Child and Family Services Plan 2010 – 2014; June 30, 2009: **http://www.dphhs.mt.gov/cfsd/publications/2010-2014cpsp.pdf**

[18] Fiscal Year 2010 Allotments for States and Tribes: Chafee Foster Care Independence Program **http://www.acf.hhs.gov/programs/cb/laws_policies/policy/pi/2010/pi1008a3.pdf**

- The **CDBG and HOME Programs:** The HOME Program awarded $679,500 to Garden City CHDO to purchase a newly constructed six-unit apartment building targeted toward persons with serious mental illness in plan year 2011. Funds have also been awarded in previous years for activities to address homelessness, including construction of transitional housing and tenant based rental assistance.

  During the FFY 2011 CDBG application cycle, the Community Development Division did not receive any applications to support project activities directly related to homelessness. However, CDBG did award FFY 2011 funds to the City of Helena to newly construct the Intermountain Children's Home residential treatment residences for at-risk youth receiving intensive care from trained mental health professionals.

- 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.

- **MT Continuum of Care Coalition:** Commerce was awarded $463,080 through the 2005 HUD Homeless Continuum of Care funding to provide Shelter Plus Care vouchers providing housing linked to supportive services to 18 chronically homeless persons with severe disabling mental illness, and/or living with HIV. After somewhat of a slow start, 21 homeless persons are currently being served statewide. Since 2005, a total of 36 homeless persons have been served. This initiative represents an important partnership between Commerce housing capacity and Public Health and Human Services funded support services.

- **(Former) MT Council on Homelessness:**

  - Homelessness is a Local Problem that must be Solved Locally: The state provided education, advocacy, encouragement and support for local initiatives, but in a frontier/rural state such as Montana, there are no one-size-fits-all solutions. The state served as a partner that brought resources to bear, convened community leaders, offered technical expertise, provided data and information, offered information and access to state and federal resources, and helped make policy changes that smoothed the path for community change. Flexibility is key: no two communities have the same needs, resources, leadership, issues, or vision. Though many of the problems that lead to and sustain homelessness are ubiquitous (e.g., lack of living wage jobs, personal vulnerabilities, disease, deep, crisis poverty, and loss of institutional support), these factors play out differently across communities. Allowing local flexibility is

essential to empowering and supporting communities to create strategies to address homelessness.

- MTCoH settled on a state/city partnership approach to addressing homelessness. MTCoH and its participants agreed they could offer technical assistance, easy access to policymakers, flexible seed money, staff time, and other supports. Billings was selected as the first demonstration city because it had a large documented community of persons who were homeless and a good array of services. Prior to approaching Billings, the MTCoH created *Homeless in Billings,* a report based partially on data from the Point-in-Time Survey, as a frame of reference on homelessness as it existed in Billings. Leadership met with Billings leaders and convened a series of daylong educational/planning sessions, attended by approximately 150 people.

  As a result, the Billings Mayor's Committee on Homelessness was created. The city provided staff time to the Committee and selected the members from among local leaders and stakeholders. The includes business leaders, the librarian, nonprofit executives, healthcare professionals, United Way, homeless constituents, representatives of homelessness serving agencies, the housing authority, and others. Once the Committee had begun its strategic planning, the State allocated $300,000 in Food Stamp Bonus funds for use in addressing homelessness in ways the Committee deemed most effective. A multi-pronged approach was launched over four years that has resulted in initiatives on multiple fronts. These efforts have been supported by the federal grants, private donations, and other resources. The results include a Housing First project, a 10-year plan, Second Chance homes, a 10-member VISTA project dedicated to addressing homelessness, a cost-benefit analysis detailing the costs of not addressing homelessness, a Billings Area Resource Network that functions as the city's Continuum of Care, a transitional housing facility for veterans, social enterprises, an Interfaith Hospitality Network, and Project Homeless Connect events.

- In support of furthering progress on Montana's 10-Year Plan to address homelessness, technical assistance continues to be provided through assistance from former MTCoH staff to Helena and elsewhere. After holding a citywide forum on homelessness in June 2009, Helena is in the process of creating a response to homelessness through the Helena Action Coalition on Homelessness. The DPHHS sponsored two VISTAs, who have been assigned to work with the group. One of the Action Coalition's projects has been to assist with organizing a local Interfaith Hospitality Network, where local churches come together to provide housing for homeless families with children. Each church hosts a family for a week, providing safe nighttime shelter, food, a daytime center where people can make phone calls, set up appointments, create a resume', wash clothes, and more. Ultimately, this is an opportunity to create networks with the intent of ensuring that participants find their way back to permanent homes. This group has applied for its 501(c)(3) status and is on its way to opening the doors for the program. This

will be the third Interfaith Hospitality Network in Montana: Billings has had one since 2004, and Bozeman formed Family Promise of Gallatin County in 2006. Missoula is also in the process of forming an Interfaith Hospitality Network.

- Several Montana cities sponsor Stand Downs or Access Fairs (sometimes known as Project Homeless Connect events) for persons who are homeless. The events are designed to raise public awareness, provide a safe one-stop setting where people who are homeless or at high risk of homelessness can access mainstream services, goods, and food. The events bring together volunteers with persons experiencing homelessness in a way that reduces fear and stigma. Montana communities have been supportive of these events, which are encouraged by and supported through technical assistance from the Public Health and Human Services Intergovernmental Human Services Bureau. There were seven events in 2009 (Billings, Great Falls, Helena, Hamilton, Anaconda, Libby, and Missoula). There are potentially new sites for 2010, including Bozeman, Browning, Glendive, Kalispell, Rocky Boy, and Gardiner.

- Commerce **Housing Assistance Bureau:** In partnership with Veterans Affairs, Homeless Veteran Program, Commerce has 35 VASH vouchers to assist homeless veterans and their families. Currently, 29 veterans are housed or are in the process of being housed in Missoula, Helena, and surrounding areas. The ultimate goal of the program is to house homeless veterans statewide.

I.E.3 NON-HOMELESS SPECIAL NEEDS

Persons with Disabilities

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

- Housing activities for persons with disabilities, with or without links to supportive services, are eligible through the **HOME program**. The HOME Program awarded $679,500 to Garden City CHDO to purchase a newly constructed six-unit apartment building targeted toward persons with serious mental illness, In addition, $545,000 was awarded to the Great Falls Housing Authority to construct Phase III of the Sand Hill Apartments, consisting of four two-bedroom handicap adaptable units, in Great Falls.

- During the FFY 2011 the **CDBG program** application cycle, the Community Development Division did not receive any applications to support project activities related to addressing needs and choices of persons with disabilities.

- Since the inception of the program in 2005, the **Commerce Section 8 Homeownership Voucher program** has assisted 52 persons, 32 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.

- 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. Nine RAM loans closed during the plan year ended March 31, 2012 and one loan was in process. Through March 31, 2012, the program had assisted 204 senior households since it began taking applications. The loans do not require repayment as long as the homeowner remains in the home.
- The CDBG program awarded $450,000 in funds in 2011 to Mineral County to construct a new senior citizens center at St. Regis. This project will provide a safe and sanitary facility to house the Senior center and elderly services for approximately 65 seniors. Additionally the CDBG program awarded $450,000 to Lewis and Clark County to newly construct a 33-unit senior housing complex called River Rock Residences. This project is also leveraged with HOME and Tax-Credit funds.
    - The HOME program awarded $750,000 in funds to Rocky Mountain Development Council to construct River Rock Residences, a 33-unit senior housing complex in Helena. The HOME program also awarded $618,402 to HRDC District XII for the rehabilitation of the Valley Apartments, a 12-unit senior apartment complex located in Ennis.

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 was held May 14, 2010 in Helena. Nearly 30 participants discussed the QAP and made recommendations to changes for the 2011 QAP. Those recommendations were brought forward at a hearing and presented to MBOH board members for their consideration when making changes to the QAP for 2011.

MBOH staff from the LIHTC Compliance program held compliance training for all interested owners/managers of tax credit projects September 21-22, 2010 in Fairmont.

Annual compliance training is required. Over 120 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 allocated in the plan year ended March 31, 2012 grant competition totaled more than $2 million. Since the inception of Montana's HOME Program, 26.7% of HOME funds have been committed to CHDOs.[19] 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, 2012 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

[19] 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: 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, 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 Director*y, 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[20] 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.[21] Additional information and requirements for renovators is available on HUD's web site.[22]

The HOME program began notifying its grantees about the new requirements in January 2009 and continues to disseminate information on the rule as it becomes available. Commerce promotes lead training opportunities as it becomes aware of them.

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.

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

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

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

I.F.5 ANTIPOVERTY STRATEGY

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

Montana is committed to utilizing employment as a primary strategy for poverty reduction. The state has a well-coordinated employment and training system, which ensures that resources for advancement through employment, such as the Workforce Investment Act, Temporary Assistance for Needy Families, and state resources such as higher education and economic development, are available to low-income families. Administrators of these programs meet regularly to ensure coordination and results.

The State of Montana operates Families Achieving Independence in Montana (FAIM) to provide temporary assistance for needy families.[23] 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

[23] 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/**

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 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, 2011 through March 31, 2012. 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 2011, 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	17	25	1	2	**43**	**45**
TBRA Families	0	0	0	0	**0**	**0**
First Time Homebuyers	8	15	11	12	**34**	**47**
Existing Homeowners	2	8	0	2	**10**	**12**
Total, Rentals and TBRA	17	25	1	2	**43**	**45**
Total, Homebuyers and Homeowners	10	23	11	15	**44**	**59**
Grand Total	**27**	**48**	**12**	**17**	**87**	**104**
* IDIS report PR23 (6A of 7) - HOME Unit Completions by Percent of Area Median Income for program year 2011						

According to IDIS, the Montana **CDBG program** reported serving 22 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. Of the persons and households receiving housing assistance during the plan year, 22 had incomes at or below 80% of AMI. [24]

CDBG Housing Beneficiaries by Income Category*			
Income Levels	**Owner-Occupied**	**Renter-Occupied**	**Total**
Extremely Low (<=30%)	**7**	0	**7**
Low (>30% and <=50%)	**8**	0	**8**
Mod (>50% and <=80%)	**7**	0	**7**
Total Low Mod	**22**	0	**22**
Non Low Mod (>80%)	**0**	0	**0**
Total Beneficiaries	**22**	**0**	**22**
* IDIS report PR23-CDBG Beneficiaries by Income Category for program year 2011			

The Commerce **Tenant Based Section 8** Housing Assistance program reported 3,571[25] households received assistance, compared to 3,477 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)
453	Identified as having an elderly head of household	**453**
1,460	Single-person households	**1,460**
1,385	Small, related, non-elderly households (2-4 people)	**1,385**

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

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

Number Receiving Assistance		
Current Year (4/1/11-3-31/12)	**Household Type**	Previous Year (4/1/10-3-31/11)
273	Large, related non-elderly households (5+ people)	**249**
3,569	Income level reported at 50% or less of AMI	**3,472**
2,896	Of those households, incomes reported at 30% or less of AMI	**2,806**
1,468	Special needs households	**1,450**
1,466	Of those households, incomes reported at 50% or less AMI	**1,447**
1,208	Of those households, incomes reported at 30% or less of AMI	**1,192**
41	Homeless individuals receiving Shelter Plus vouchers for rental assistance, with incomes at 50% or less AMI,	**35**
41	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	5,729	242	2,927
Black / African American	244	10	76
Asian	43	0	20
American Indian/Alaska Native	2,273	93	772
Native Hawaiian / Other Pacific Islander	17	2	9
American Indian / Alaska Native & White	99	17	44
Asian & White	10	0	5
Black / African American & White	52	3	15
American Indian / Alaska Native & Black / African American	23	2	7
Other Multi Racial	6	0	2
Totals	**8,496**	**369**	**3,877**

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, 28 2011**				
Part 1: Homeless Population	**Sheltered**			
	Emergency	**Transitional**	**Unsheltered**	**Total**
1. Number of Households **with** Dependent Children	54	52	20	**126**
1a. Total Number of Persons in these Households (adults and children)	209	194	91	**494**
2. Number of Households **without** Dependent Children***	342	184	288	**814**
2a. Total Number of Persons in these Households	361	187	323	**871**
Total Persons (Add Lines 1a and 2a)	**570**	**381**	**414**	**1,365**
Part 2: Homeless Subpopulations	**Sheltered**		**Unsheltered**	**Total**
a. Chronically Homeless	127		55	**182**
b. Severely Mentally Ill	182		55	**237**
c. Chronic Substance Abuse	232		61	**293**
d. Veterans	149		106	**255**
e. Persons with HIV/AIDS	24		8	**32**
f. Victims of Domestic Violence	152		27	**179**
g. Unaccompanied Youth (Under 18)	18		5	**23**

Through the HRDCs, the ESG program provides essential services, shelter maintenance, and homeless prevention services. Those served were comprised of:

- 16,892 were served with either residential services through Homeless Prevention Programs or non-residential services through the Essential Services and Shelter Maintenance Programs
  - 10,111 were white, of which 232 were Hispanic
  - 168 were Black/African American
  - 46 were Asian
  - 1961 were American Indian/Alaskan Native, of which 22 were Hispanic
  - 22 were Native Hawaiian/Other Pacific Islander
  - 211 were American Indian/Alaskan Native/White, of which 1 was Hispanic
  - 3 were Asian/White
  - 29 were Black/African American/White
  - 23 was American Indian/Alaska Native/Black African American
  - 406 were Other Multi-Racial

- 1,322 were chronically homeless; 1033 severely mentally ill; 665 chronic substance abuse; 932 other disabilities; 752 veterans; 4 with HIV/AIDS; 173 elderly; 1,538 victims of domestic violence The TS HELP/HOPWA program was awarded a renewal grant for an additional three-year period beginning October 1, 2008 through September 30, 2011. The Yellowstone AIDS Project received $120,461 per year. In July 2009, the additional TS HELP Plus grant began for

three years; 9/1/2009 through 8/30/2012 including the extension period, in the amount of $437,293 or $145,764 annually, which increased TBRA assistance for an additional 36 individuals.

- YAP, serving the MT-Billings Eastern Region that includes 40 counties, reported serving 67 clients accessing the program. The clients received assistance enabling them to live in a stable housing situation and to access caseworkers and medical services consistently, ultimately improving their quality of life.

Male 37	Female 30	Average Age:..... 31 - 50 years
American Indian/Alaska Native: 3		
Black/African American:.....3		
Special Needs Category:		
Chronically Homeless.....6	Veterans.... 5	Domestic Violence Survivor .. 16

The Missoula AIDS Council received $135,440 per year awarded through the HOPWA grant. In July 2009, the additional TS HELP Plus grant began for three years, 9/1/2009 through 8/31/2112 in the amount of $437,293 or $145,764 annually, which increased tenant-based rental assistance for an additional 18 individuals.

MAC serves the MT-Missoula Western Region, which includes 16 counties. MAC reported 56 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 33	Female 23	Average Age..... 31 - 50 years
American Indian/Alaska Native 3		
Special Needs Category:		
Chronically Homeless.....5	Veterans.... 4	Domestic Violence Survivor 9

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 (2011-2012) 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[26] 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.

[26] 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 2011, the HOME program allocated $1,037,057 for single-family projects through the Single Family Noncompetitive Program.
- MBOH continued to make bond funds available that assisted 267 low- to moderate-income homebuyers during the year with $34 million of financing. Provision of the regular bond program loans was severely curtailed due to the dislocation of the mortgage revenue bond market as an effect of the subprime mortgage crisis and subsequent collapse of the credit and stock markets.
- MBOH continued to operate the Mortgage Credit Certificate program, which began operation in April 2003 and was reauthorized most recently in February 2011. During the year, $10,585,455 in credit loan authority assisted 67 eligible homebuyers and MBOH anticipates this will grow over the next year if conventional mortgage interest rates remain lower than tax-exempt bond mortgage rates.
- 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 made approximately $1.9 million available for financing to 22 low-income families.
- MBOH continued to make funds available through the Disabled Accessible Affordable Homeownership program to provide architecturally accessible homes for persons with permanent disabilities and mobility impairments. During the past year, MBOH assisted eight families with $650,000 in mortgages.
- The HOME and CDBG programs continued to encourage leveraging funds with weatherization programs administered throughout the state.
- The HOME and CDBG programs continued to require projects to conform to federal and state energy efficiency standards.
    - 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™. MBOH worked in partnership with Blackfeet Manpower to construct 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. Ten Montana House™ homes have been created since April 2005.
- 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 were awarded to rehabilitate existing and construct new rental housing. The program awarded three grants totaling than $1.5 million to

construct new and rehabilitate/preserve existing rental units. HOME also continued to distribute funds to previously awarded rental projects.

- 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.*[27]

- 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.
- 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:
  - The CDBG program awarded $1,450,000 in funds to support project activities targeted at seniors and at-risk youth.
    - CDBG awarded $450,000 to Mineral County to construct a new senior citizens center at St. Regis. This project will provide a safe and sanitary facility to house senior center activities and services for approximately 65 seniors.
    - CDBG awarded $450,000 to the City of Helena to fund the newly construct the Intermountain Children's Home residential treatment residences for at-risk youth receiving intensive care from trained mental health professionals.
    - CDBG awarded $450,000 to Lewis and Clark County to newly construct a 33-unit senior housing complex in the City of Helena. This senior housing project is also supported by HOME and Tax-Credit funds.
  - HOME awarded more than $2.5 million in Program Year 2011 for four projects that will construct or preserve and rehabilitate a combined total of 55 affordable housing units:
    - $750,000 to Rocky Mountain Development Council to construct River Rock Residences, a 33-unit senior housing complex in Helena.
    - $618,402 to HRDC District XII for the rehabilitation of the Valley Apartments, a 12-unit senior apartment complex located in Ennis.
    - $679,500 to Garden City CHDO to purchase a newly constructed six-unit apartment building targeted toward persons with serious mental illness,
    - $545,000 was awarded to the Great Falls Housing Authority to construct Phase III of the Sand Hill Apartments, consisting of four two-bedroom handicap adaptable units, in Great Falls.
- Commerce funds, including HOME, CDBG, MBOH, and Section 8 homeownership vouchers, continue to be used in conjunction with the Montana

[27] 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 Choice Coalition for group living and homeownership opportunities for persons with severe and disabling mental illness and other disabilities.

  - Of the 52 households assisted with Section 8 homeownership vouchers, 32 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. MBOH financed 11 homes for $1,128,216. The average income of program participants was $15,179.
- 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[28]

- 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*[29], the listing provides basic information on where citizens can find assistance for issues relating to housing rights, fair housing, legal issues, etc.[30]

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

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

[30] 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.

- 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
- 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. To this end, the HCT formed a working group to study ways to streamline and simplify the Uni-App. 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.
- 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.

- 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 21 certified CHDOs providing significant nonprofit housing development capacity within the state. HOME funds totaling more than $2 million was awarded to three CHDOs for the plan year.
- HOME funds support the housing objectives in a variety of ways: HOME grantees construct new affordable units to increase the housing stock, 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 2011, the CDBG-ED program's grant recipients projected the retention of 133 jobs, of which 71 are held by LMI. The program anticipates additional applications in the next few months that will create or retain jobs of which at a minimum, 51% of those jobs will be made available to LMI.. Of those local governments awarded funding, there is over a 1.22:1 match of private and public funding.

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

  The one business awarded CDBG-ED funding is a manufacturing company.

- *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 manufacturing companies assisted with a CDBG-ED grant do sell their product 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 2011.

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

  With CDBG-ED planning grants, five local governments received financing to further economic development initiatives.

  Businesses and communities received technical assistance from MDOC staff while developing their community goals.

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

  In program year 2011 CDBG funds were leveraged by private and public funding 1.22:1 (which includes planning grants). Over the past five years, CDBG funds have been leveraged by over $10.96 in outside funding for every CDBG dollar invested.

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

  The CDBG-ED program, through a Memorandum of Understanding, provided $30,000 in technical assistance funding to the Small Business Development Center to provide technical assistance activities for small business development such as counseling and business development workshops.

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

  No applications received for this type of business during program year 2011.

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

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

- *Place a priority on projects that create higher paying jobs*

  The CDBG-ED program discourages proposals that involve assistance to businesses such as hotels, motels and retail operations, except under mitigating circumstances, because of the lower quality of jobs and the high likelihood of competition with existing local businesses. Projects may be eligible where certain mitigating circumstances exist and support by other competing local businesses can be documented; i.e., a grocery store in a small town in a sparsely populated area

where there is no other competition. The CDBG-ED program awarded funding to businesses that pay competitive wages and provide benefits to their employees.

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

  . No applications received for this type of business during program year 2011.

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

  The CDBG-ED program expects to retain over 133 jobs of which 71 are held by LMI. The program anticipates additional applications in the next few months that will commit to additional jobs with at least 51% of those jobs to be made available to or held by LMI.

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

  Proposals awarded funding during this program year are providing 1.22:1 match for every dollar of CDBG-ED funds. Over the last five years, private and public funding has matched CDBG-ED funds over 10.96:1.

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 2011, 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 Missoula, during February and March 2012. The *W_2ASACT Funding Workshop Fall 2011* was held in Missoula, Billings, and Helena in October 2011.
- 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[31]. 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. [32]

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

None of the CDBG projects funded in 2011 are expected to involve any acquisition, rehabilitation, or demolition of occupied real property.

The HOME program did not fund any projects in program year 2011 that will involve permanent relocation activities.

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

[32] 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

The ESG program has not funded projects that involve the demolition of occupied real property. None of the program year 2011 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 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 32). The HOME program continues to analyze other potential options for improving its allocation process and additional changes may be forthcoming.

During Plan year 2011, 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 of 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

Currently, the CDBG program strongly encourages, but does not require, multi-family project funds to go beyond the statutorily required minimum standards.

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 Missoula AIDS Council and Yellowstone AIDS Project work well with their partners within the community and are well on the way to meeting the goals for the current year for both the HOPWA and HOPWA Plus grants. Montana State University works with Public Health and Human Services in providing technical assistance and gathering data to support the progress of the programs. Both MAC and YAP have begun using the Homeless Management Information System for their annual progress reports, a vital step in improving the efficiency of data collection and effectiveness in reporting.

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

The Montana HPRP program began operation in September 2009. Implementation of the programs included citizen participation and public comment. The HRDCs continue to work with partners within their community so ensure that families and individuals are provided information and resources as well as serving them through the program.

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

Go to **http://housing.mt.gov/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 ten designated CRDCs

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

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 is needed, and identify gaps in the institutional provision of services. HOME, CDBG, and MBOH workshops include a "how to" technical assistance component and participation in statewide housing meetings and local housing meetings will continue.

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.

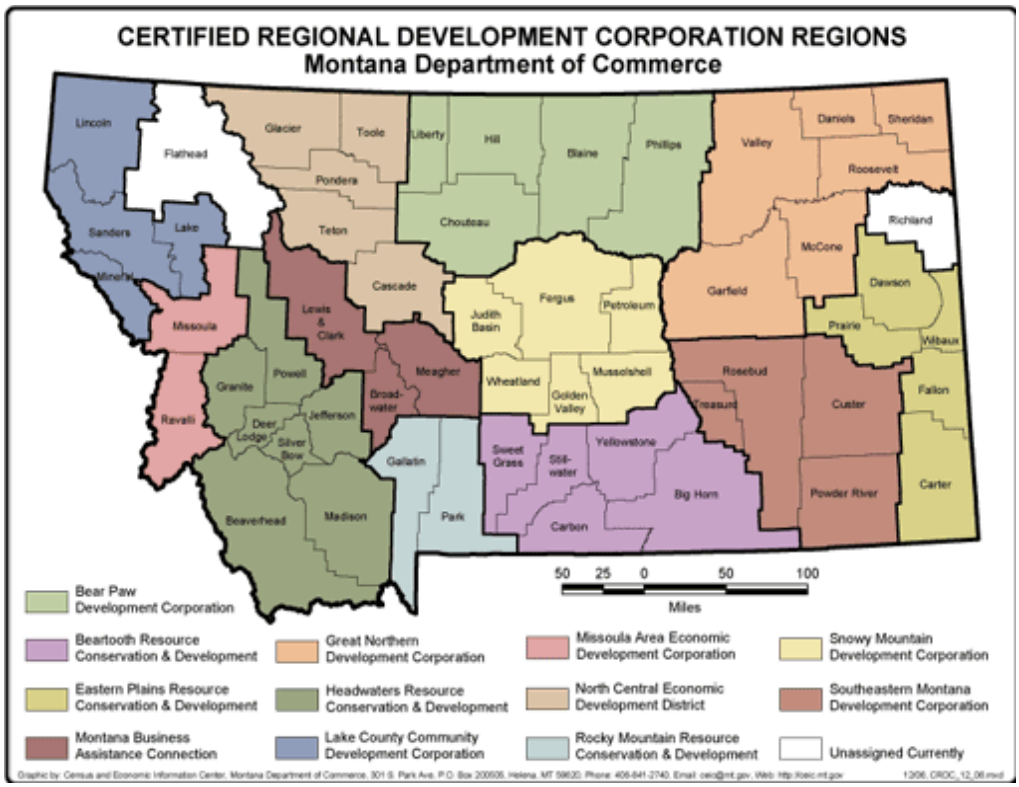
The Home Choice Coalition advocates for and educates on the concept of Universal Design and the related concept of visitability as a standard for publicly subsidized housing in Montana. Through education and technical assistance, the Coalition expects to expand the supply of affordable housing that can 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 their role in providing technical assistance in the field and through this effort, more accurately determine the degree and type of local need in community and economic development. 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 twelve CRDCs across Montana. (See following map.) Most CRDCs manage regional revolving loan funds. It is the intent of this program to have CRDCs provide experienced guidance to local governments in their community development efforts and to provide the capacity to maintain regional revolving loan funds.



II.B.3 ISSUES STIMULATING POLICY REFINEMENT

Housing

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.[34] Montana's foreclosure rate ranked 44th lowest in the nation in 2009. However, the foreclosures have not been distributed evenly across the state. For example, data for March of 2010 indicate that Flathead County with 108 had almost twice as many foreclosure filings than did Gallatin County, the next highest at 67. In general, foreclosures 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. Looking at data from the Mortgage Banker Association, Montana's foreclosure rate appears to have reached its highest level in January of 2011.

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.[35] 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.

The state continues to see a decline in home purchase prices in some counties, due to the decline of the housing market. 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. As Montana moves into 2011 with continued impact from the recession, incomes for many households are also down, due to cutbacks in hours and employees. These factors make it more difficult for first-time homebuyers to take advantage of the lower house costs. Finally, the 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

[34] Data on foreclosures from RealtyTrac

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

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.[36] 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 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.

[36] The Montana CDBG program has been contacted by a wide range of Montana communities seeking help with affordable housing. These communities range from Livingston which is seeking to maintain affordable senior housing, to Red Lodge which is making strong efforts to preserve a mobile home park, to resort areas like Whitefish, and to rural counties like Madison County, which are currently experiencing a shortage of affordable housing for nurses, school teachers, and retail employees. In southeast Montana, officials from Baker and Sydney have complained about the shortage of affordable, worker housing for those attracted to the area as a result of increased oil and gas activity. In the northwest corner of Montana, officials from Eureka have stated that there is a shortage of general work force housing units and affordable housing for retirees.

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.[37] 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.[38]

Homelessness

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

[37] Montana Indian Homeownership Task Force, spring, 2008
[38] Montana Indian Homeownership Task Force

Former staff to the MTCoH is working with a dedicated committee to create the Montana Coalition for the Homeless. MCH will be requesting 501(c)(3) status, implementing by-laws, and a governing board by fall 2010. The MCH will take a different approach than that taken by any other organizations, including the MT CoCC. The focus of the MCH will be on education, advocacy, and providing a voice for people who have been, who are, who are at high risk of, or who have known someone well who has experienced homelessness. Providing an effective mechanism for meaningful engagement of persons who have direct experience with homelessness will provide distinct value added to Montana's efforts as the HEARTH Act goes into its implementation phase. Additionally, this directly furthers Goal 1.1 of Montana's 10-Year Plan, which is to enhance state-level coordination around the issue of homelessness by creating a sustainable, multi-systemic infrastructure and coalition for addressing homelessness.

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 communities desire to further develop planning through funding and technical assistance. During the FFY 2011, CDBG awarded all $200,000 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 2011, Commerce set aside up to $118,488 of CDBG funds from the economic development category for technical assistance grants. Applications were

accepted on a first-come, first-serve basis. Local governments could propose that CDBG-ED technical assistance funds be used for preparing plans, studies, analyses, or research related to economic development such as:

- Preparing community needs assessments, action plans, or implementation strategies with a focus on economic development
- Conducting income surveys necessary to complete a CDBG-ED application
- Preparing downtown revitalization studies, redevelopment plans, urban renewal plans, and historic preservation studies
- Preparing feasibility studies, preliminary environmental assessments for the purpose of grant applications or Preliminary Architectural Reports for reuse of underutilized, empty or abandoned buildings and industrial or manufacturing facilities (contact 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 in support of an economic development project only

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.

Funding of $36,000 was used for technical assistance activities under the Small Business Development Center, and the Small Business Innovation and Research. In addition, the CDBG-ED program funded six new technical assistance activities.

FFY 2011 CDBG-ECONOMIC DEVELOPMENT PLANNING GRANT AWARDS		
Locality	**Project Description**	**Funding Amount**
Missoula County	Preparation of business plan, market and manufacturing plan	$ 25,000
City of Bozeman	Development planning for mixed –use property	$ 25,000
City of Miles City	Purchase of ArcGIS software and necessary equipment	$ 2,670
Roosevelt County	.Regional needs assessment	$ 25,000
Toole County	Preparation of strategic analysis	$ 15,000
Total		**$ 81,190**

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[39, 40]	Actual Nmbr[41, 42, 43]	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**	**50**	**0%**
			2011 ▪ **Number of units acquired and newly constructed**	**0**	**33**	**0%**
			2012 ▪ **Number of units acquired and newly constructed**	**n.a.**	**n.a.**	**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**	**83**	**0%**

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

[39] 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.

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

[41] 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.

[43] 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[39, 40]	Actual Nmbr[41, 42, 43]	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**	**2010** ▪ **Number of units rehabilitated**	**40**	**8**	**20%**
		Local Match: *5% minimum required*	▪ *# 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[39, 40]	Actual Nmbr[41, 42, 43]	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[39, 40]	Actual Nmbr[41, 42, 43]	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 affordable decent housing through down payment and closing cost assistance to low- and moderate -income households	**CDBG**	**2010** ▪ **Number of households receiving homebuyer assistance**	**4**	**n.a.**	**n.a.**
			2011 ▪ **Number of households receiving homebuyer assistance**	**4**	**n.a.**	**n.a.**
			2012 ▪ **Number of households receiving homebuyer assistance**	**n.a.**	**n.a.**	**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[39, 40]	Actual Nmbr[41, 42, 43]	Percent Completed
DH-2.6	Address the need of families facing the possibility of homelessness by providing one-time payments for utilities, rent, or deposits through homeless prevention programs and services	**ESG**	**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 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.
			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**	**n.a.**	**0%**
			2011 ▪ **Number of LMI households assisted**	**50**	**n.a.**	**0%**
			2012 ▪ **Number of LMI households assisted**	**n.a.**	**n.a.**	**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[39, 40]	Actual Nmbr[41, 42, 43]	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**	**9847**	**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**	**671**	**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**	**n.a.**	**n.a.**	**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[44] to LMI households	**CDBG**	**2010** ▪ **Number of units constructed and rehabilitated**	**0**	**n.a.**	**0%**
			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.**
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%**

[44] 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[39, 40]	Actual Nmbr[41, 42, 43]	Percent Completed
			2012 ▪ Number of individuals assisted with essential services such as shelter, food and individual support services	n.a.	n.a.	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[45] 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	9,797	10,612	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	n.a.	600	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	n.a.	n.a.	n.a.

[45] 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[39, 40]	Actual Nmbr[41, 42, 43]	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[46] 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**	**111**	**240**	**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**	**0**	**618**	**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**	**n.a.**	**n.a.**	**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%**

[46] Water and wastewater projects

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Expected Nmbr[39, 40]	Actual Nmbr[41, 42, 43]	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**	**n.a.**	**n.a.**	**n.a.**
			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**	**n.a.**	**n.a.**	**n.a.**
			▪ *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[39, 40]	Actual Nmbr[41, 42, 43]	Percent Completed
			2013 ▪ **Number of businesses assisted with loans/grants**	**n.a.**	**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	**2**	**2**	**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**	**n.a.**	**n.a.**	**n.a.**
			▪ *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**	**n.a.**	**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	**5**	**5**	**100%**

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Expected Nmbr[39, 40]	Actual Nmbr[41, 42, 43]	Percent Completed
EO-3	**Sustainability of Economic Opportunity**					
EO-3.1	Provide economic opportunity through improved or new sustainability	**CDBG**	**2010** ▪ **Number of businesses 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 businesses 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 businesses assisted with loans/grants**	**n.a.**	**n.a.**	**n.a.**
			▪ *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**	**n.a.**	**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	**6**	**7**	**125%**
EO-3.2	Provide economic opportunity through improved or new sustainability	**CDBG**	**2009** ▪ **Number of persons assisted with a new/continuing access to a (public) service**	**n.a.**	**60**	**n.a.**
			2010 **Number of persons 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 2011

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

(Available in IDIS)

APRIL 1, 2011 TO MARCH 31, 2012

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, 2011 TO MARCH 31, 2012

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 2011

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

APRIL 1, 2011 TO MARCH 31, 2012

REPORT TO HUD

PART VI - ESG ANNUAL PERFORMANCE REPORT

APRIL 1, 2011 TO MARCH 31, 2012

FINAL REPORT TO HUD

EMERGENCY SOLUTIONS GRANT (ESG)

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

FFY 2011 HUD EMERGENCY SOLUTIONS GRANTS PROGRAM DISTRIBUTION BY HRDC

Eligible Activities	AEM	DIST IV	Opp., Inc.	DIST VI	DIST VII	RMDC	DIST IX	CAP NW MT	DIST XI	DIST XII
Essential Services	$11,271	4000	$15,575		$17798	$3,148	$10,105	$16,518	0	
Shelter Maintenance	$15,706	$9,476	$20,546		$25,730	$22,600	$19,472	$24,959	$37,024	$29,577
Homeless Prevention	$11,541		$15,575	$4,744	$20,798		$17,000	$54,430	$17,214	
	$38,518	**$13,476**	**$51,696**	**$4,744**	**$64,326**	**$25,748**	**$46,577**	**$95,907**	**$54,238**	**$29,577**

Source: ESG Program

The Emergency Solutions Grant Financial Status Report information for the period 04/01/2011 – 03/31/2012 is available through the IDIS tracking system.