



City of Missoula

2024-2025

Annual Action Plan

Substantial Amendment

PREPARED FOR

City of Missoula
Community Planning, Development &
Innovation (CPDI)
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ORIGINAL PUBLIC HEARING

4/22/24

SUBSTANTIAL AMENDMENT

Public Comment Period:
August 1 – September 5, 2024

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

The following section describes Missoula's CDBG and HOME resources for the upcoming year and other anticipated resources over the next five years covered by this Consolidated Plan. This includes federal, state, local, and private resources expected to be available to the city to address the priority needs and specific objectives identified in this Strategic Plan.

Note: In accordance with HUD guidance and the City of Missoula Participation Plan, a Substantial Amendment (SA) to the Program Year 2024 (PY24) Annual Action Plan (AAP) is hereby posted for a 30-day public comment period. This SA is required due to a change in amounts and sources allocated to projects in the PY24 AAP, which include the following: 1) changing North Missoula Community Development Corporation funding for acquisition of a property from HOME funds of \$230,000 to CDBG funds of \$250,000; reducing CDBG funds for Orchard Garden rehabilitation by \$20,000; reassigning CHDO operating funds from NMCDC to Homeward; and adjusting reserved fund amounts to reflect total anticipated resource amounts. This Amended Program Year 2024 Annual Action Plan will be posted online for public comment from August 1 through September 5, 2024. In addition, a legal ad will run in the Missoulian on August 3 and August 10, 2024, and the Amended Plan will be distributed according to the City of Missoula Communications Strategic Plan. A summary of all comments received will be included in this Substantial Amendment.

HUD Resources

The City of Missoula receives HUD entitlement funding through two programs: the Community Development Block Grant (CDBG) program and the HOME Investment Partnerships (HOME) program. In PY2024, the City anticipates receiving \$533,969, in CDBG funding and \$350,698 in HOME funding. Additionally, the City receives program income from the two entitlement programs, which is earned from loan payments. In PY2024, the City anticipates receiving program income of \$29,370 from CDBG and \$59,065 from HOME.

Federal

The City of Missoula's Brownfields Program facilitates the expansion, redevelopment, or reuse of real property when complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. This funding is often leveraged to support affordable

housing development. The amount available for loans and/or grants from the Brownfield Revolving Loan Fund varies, depending on the number of outstanding grants and loans, and when repayment of loans is expected. As of the beginning of 2024, the program has an estimated \$200,000.

State

The Montana Board of Housing (MBOH) administers the state of Montana's Low Income Housing Tax Credit (LIHTC) Program, which developers can apply to. Additionally, the State's Coal Trust Multifamily Homes Program provides \$65 million of Coal Trust funds to be invested in loans to projects providing multifamily rental homes. More specifically, the funds can be used for new construction, acquisition, and/or rehabilitation of existing multifamily rental homes; acquisition of land for multifamily rental homes including land trusts for rental, mobile, or manufactured housing projects; and development or preservation of a mobile home parks. Additionally, in 2023, the State of Montana passed House Bill 819, which invests over \$175 million to increase the supply of affordable workforce housing and \$105 million to expand water and sewer infrastructure.

Local

In 2023, the Missoula Redevelopment Authority Board (MRA) approved the MRA Workforce Housing Program, which allows for Tax Increment Financing (TIF) to be used for the construction of workforce housing in the city's six urban renewal districts. Missoula residents earning between \$51,840-\$120,960 (family of four) are eligible to be served through this program. The City of Missoula is the first city in Montana to utilize TIF for workforce housing. Additionally, MRA continues to invest TIF in building deconstruction and public improvements in the public right of way to support both private and non-profit housing projects, as well as investment in publicly owner housing in the city's urban renewal district.

Additionally, the City of Missoula adopted a citywide housing policy, A Place to Call Home, in June 2019. As part of the housing policy, the City Council established the Affordable Housing Trust Fund (AHTF) as a permanent and annually renewable source of revenue to help meet the housing needs of the City's low- and moderate-income households. The City is currently working on the FY 2024 AHTF Allocation Plan to determine funding and allocation priorities. Since the AHTF was established, the City has received \$1.7 million for the fund; it anticipates receiving an additional \$100,000 allocation from City Council in the FY24 budget.

Private

When opportunities arise, the City works to support projects that leverage private equity through the LIHTC program.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	533,969	29,370	367,832	931,171	2,320,000	Annual allocation awarded to the City of Missoula as an Entitlement City plus program income.
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	350,698	59,065	64,329	474,092	1,800,000	Annual allocation awarded to the City of Missoula as a Participating Jurisdiction plus program income.
General Fund	public - local	Housing Public Services	0	0	0	0	3,320,000	Anticipated amount available from the City of Missoula's general fund for activities that support goals associated with our Con Plan.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Other	0	0	0	0	800,000	The City of Missoula receives Brownsfield money each year.

Table 1 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Due to its limited resources, the City makes a concerted effort to leverage its federal funding with other local, state, and private resources, as well as volunteer labor and in-kind support, where applicable. With the creation of the City's Affordable Housing Trust Fund (AHTF) in July 2020, the City administers the Unified Application Round, which provides the opportunity for local organizations/agencies to apply for both local and federal funding in the same process. With all of the City's funding sources allocated through a singular process, the City and its partners can ensure that resources are being maximized and leveraged in alignment with the City's housing policy and other goals, as well as ensuring that resources are not allocated to duplicative efforts.

HOME Match. The HOME Program requires participating jurisdictions to provide a 25 percent match on most HOME entitlement funds expended each program year. Match is a permanent contribution to affordable housing of non-federal funds. Applicants for HOME-CHDO set-aside funds are encouraged to demonstrate matching funds. Matching funds are reported and approved by CPDI annually. HOME-funded projects and match resources are reported in the annual CAPER.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City is continuously reviewing its available vacant public lands to see what might be used to address the community's needs. Given the need to produce more affordable housing, the City is evaluating these parcels to determine which may be most appropriate for housing or mixed-use development.

Two large affordable housing construction projects were completed in PY23. The Villagio is a 200-unit project priced to be affordable to individuals and families making at or below 60% AMI. The Trinity Apartments are located on two sites in Missoula and offer 200 affordable units, which will eventually be accompanied by a navigation center, for Missoula's long-term unhoused neighbors.

A redevelopment plan is underway for City-owned land of which, as proposed, three acres will be given to a Community Land Trust dedicated for 46 permanently affordable homes. These will be income restricted for people making 120% AMI and below. Additional acreage will be used for lease housing and retail/commercial uses. The property sits in one of the city's urban renewal districts. The plan also analyzes infrastructure needs related to development of other nearby vacant parcels owned by the City, MRL and Republic Services.

The City of Missoula is in the process of developing comprehensive building and zoning code reforms to streamline construction of housing across all incomes and ensure development meets city standards. Addressing barriers to affordable housing will include rezoning land for multi-family development, modifying the zoning regulations to provide more options for affordable housing, in-fill development on under-utilized parcels, and potential redevelopment of Brownfield sites.

Discussion

The resources listed here are financial and thus are not all-encompassing. Funds come from other sources that are not within the purview of HUD-sponsored programs, but still contribute to the vitality of the City and CDBG- and HOME-funded projects. Missoula staff and volunteers who provide their personal time and money to assist their fellow Missoulians every day cannot be adequately captured here. Most boards are all volunteer, and every nonprofit relies heavily on volunteer support to accomplish its work. Volunteer labor and in-kind support are often captured in project budgets but are difficult to quantify in all instances. The City's CDBG and HOME funding decisions try to leverage and capture the value of those contributions and support projects with varied and robust funding and support bases.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Housing Options	2024	2028	Affordable Housing Homeless		Affordable Housing Options	CDBG: \$-815,000 HOME: \$439,022	Rental units rehabilitated: 62 Household Housing Unit Homeowner Housing Added: 1 Household Housing Unit Homeowner Housing Rehabilitated: 13 Household Housing Unit
2	Supporting Vulnerable Populations	2024	2028	Homeless		Housing Stability	CDBG: \$9377	Overnight/Emergency Shelter/Transitional Housing Beds added: 2 Beds
3	Community Services	2024	2028	Non-Housing Community Development		Community Needs	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit:
4	Planning and Administration	2024	2028	Planning and Administration		Planning and Administration	CDBG: \$106,794 HOME: \$35,070	Other: 3 Other

Table 2 – Goals Summary

Goal Descriptions

1	Goal Name	Housing Options
	Goal Description	CDBG funds will support the preservation of 76 affordable housing units across its projects. This includes CDBG funds that will support low-income households with the installation of modular aluminum wheelchair ramps and other exterior access improvements for low-to moderate-income seniors or peoples with disabilities who have limited mobility and are in need of improved accessibility in their homes. This goal will aim to leverage, incentivize, and fund efforts that support the development, preservation, and rehabilitation of affordable housing options in Missoula for extremely low-, low-, and moderate-income households, particularly projects that emphasize serving residents with accessibility limitations, are located near transit corridors and other community services, and that include sustainable and climate-resilient approaches and practices in their efforts.
2	Goal Name	Supporting Vulnerable Populations
	Goal Description	In PY24, CDBG dollars will be reserved to support eligible public facility and infrastructure projects to support unhoused residents. Although no project is available at the moment, the addition of 2 beds is estimated. This goal will aim to provide housing stability for unhoused residents and residents at-risk of becoming unhoused through the provision of emergency, transitional, and permanent supportive housing options, as well as targeted and comprehensive service provision. Funding will be prioritized for capital and/or public services projects that increase the efficiency of service delivery, continue to build systemic capacity in the Missoula Coordinated Entry System, and projects and/or programs that implement a Housing First approach.”

3	Goal Name	Community Services
	Goal Description	<p>In PY2024, no CDBG public service dollars will be reserved to fund public service projects. Local affordable housing trust fund dollars have been allocated to support a rental assistance program, leaving CDBG dollars available for other projects.</p> <p>This goal aims to address pressing community needs that have been identified as having significant impacts on the quality of life for low- and moderate-income residents. The City will strategically target projects, programs, and other efforts that increase access to community services, such as, but not limited to, affordable childcare, increased access to mental health care and chemical dependency services, and employment opportunities for low- and moderate-income Missoulians. The City will continue to engage the community over the next five years to ensure that funding is directed at community services that address the greatest needs voiced by Missoula residents.</p>
4	Goal Name	Planning and Administration
	Goal Description	<p>In PY24, Community Development will continue to undertake annual planning and administration tasks for CDBG and HOME, including grants administration, financial reporting, and development of the Annual Action Plan and Consolidated Annual Performance and Evaluation Report (CAPER).</p>

Projects

AP-35 Projects – 91.220(d)

Introduction

Missoula's Community Development (CD) division recommends funding seven CDBG and HOME projects, which include funding for administration and planning up to HUD limits. The projects will be funded with 2024 CDBG-HOME allocations.

Due to delays in receiving actual allocation amounts from Congress, the HOME and CDBG allocated amounts were originally based on the PY2023 award. All proposed project budgets have been proportionally increased or decreased from the estimated funding levels to match actual allocation amounts. Upon receiving the final allocation amounts from HUD, the plan has been updated to reflect those amounts.

Other departmental factors have contributed to a change in the use of funding sources as the City adapts to leveraging all city assets and funding sources available to support underserved needs, especially in the realm of housing affordability. Missoula's Affordable Housing Trust Fund (AHTF) was established in July 2020. Program Year 2024 is the third year of the unified application round for CDBG, HOME and AHTF. This year, the AHTF was able to fund one project to support vulnerable citizens and keep them in their rental units or help them find suitable housing.

CD will comply with all federally mandated percentage limits including:

- HOME: 15% minimum CHDO set-aside; 10% maximum Administration and Planning; 5% maximum CHDO Operating Assistance; 10% maximum CHDO predevelopment loan (as percentage of total CHDO set-aside)
- CDBG: 15% maximum Public Services; 20% maximum Administration and Planning.

Projects

#	Project Name
1	PY24 CDBG Affordable Housing Development and Rehabilitation
2	PY24 CDBG Public Services
3	PY24 CDBG Public Facility and Infrastructure
4	PY24 HOME Affordable Housing Development and Rehabilitation
5	PY24 HOME CHDO Operating Expenses
6	PY24 CD CDBG Planning and Admin
7	PY24 CD HOME Planning and Admin

Table 3 - Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

CDBG & HOME

For PY24, the City has combined the application for projects into a Unified Application cycle that includes HOME, CDBG, and the local Affordable Housing Trust Fund (AHTF). Combining funding sources has allowed the City to better leverage the funds available to support underserved needs, especially in the realm of housing affordability. This is the third year that the City was able to fund projects with the city's Affordable Housing Trust Fund, which has helped leverage CDBG/HOME dollars across affordable housing projects.

CD staff reviewed guidelines and grant-ranking criteria with prospective applicants and members of the public at the Unified Application Workshop on January 9, 2024. Ranking criteria for the funds included the following: Project Design, Demonstrated Knowledge of Community Needs, Impact and Outcomes, Financial Feasibility, and Readiness/Timeliness.

The twelve applications submitted for funding were reviewed by staff from the Community Development, Planning, and Innovation Department, and members of the City Council, and ranked according to the criteria established in the application guidelines. The review team assigned points based on the above criteria and then ranked the projects based on average points received. Once this ranking was complete, funds were awarded to the top-ranking projects.

Despite the City's increased efforts to leverage additional resources, including the Affordable Housing Trust Fund, Brownfields, and LITHC, requests for funding from HOME and CDBG far exceed available funds, which is the primary obstacle to addressing underserved needs.

AP-38 Project Summary
Project Summary Information

1	Project Name	PY24 CDBG Affordable Housing Development and Rehabilitation
	Target Area	
	Goals Supported	Housing Options
	Needs Addressed	Affordable Housing Options
	Funding	CDBG: \$ 815,000
	Description	Activities to include rehabilitation of rental or homeownership units made available to households at or below 80% AMI. This includes support to install ADA-compliant ramps for seniors and those living with disability.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	At least 49 low-and-moderate income families will benefit from these PY24 activities.
	Location Description	City of Missoula

	Planned Activities	<p>\$ 390,000 of CDBG will help support rehabilitation on an affordable Missoula property: Orchard Gardens. These improvements will positively impact the lives of 60 Missoulians living in the 35 units.</p> <p>The North Missoula Community Development Corporation will use \$250,000 to acquire a home to be placed into a land trust to ensure permanent affordability.</p> <p>Human Resource Council, District XI plans to use \$100,000 in CDBG funds to continue the owner-occupied rehabilitation program in Missoula, which will provide loans for up to 3 owners with incomes at 80% AMI or less. A financial capacity analysis will be conducted to compute applicant's repayment ability and loan terms. HRC will provide consultation services that allow the borrower to address conditions necessary to assure that their home is safe, decent, and sanitary, its structural integrity is preserved, further deterioration is prevented, and the unit is brought up to applicable codes for both site-constructed and off-site constructed.</p> <p>In addition, \$75,000 of CDBG will go to support the installation of a minimum of 10 modular aluminum wheelchair ramps and other exterior access improvements for low-to moderate-income seniors or peoples with disabilities who have limited mobility and are in need of improved accessibility in their homes. Ramps are constructed of modular aluminum components, which allows us to repurpose them when clients change. By reusing ramp components, we are able to help more clients at reduced cost.</p> <p>These activities help support the Equity Plan goals of providing housing stability and increasing affordable housing options throughout the city.</p>
2	Project Name	PY24 CDBG Public Facility and Infrastructure
	Target Area	
	Goals Supported	Supporting Vulnerable Populations
	Needs Addressed	Housing Stability
	Funding	CDBG: \$ 9,377
	Description	The City of Missoula will reserve a portion of its CDBG funds for CDBG Public Facility and/or Infrastructure Activities.
	Target Date	6/30/2025

	Estimate the number and type of families that will benefit from the proposed activities	2 individuals could benefit from this activity.
	Location Description	City of Missoula
	Planned Activities	Activities such as the acquisition, construction, reconstruction, rehabilitation, or installation of public facilities and improvements to improve or create access to suitable living environments or necessary services that primarily benefit individuals earning less than 80% AMI. If an activity is funded under this project, it would support the Equity Plan goal of supporting vulnerable populations.
4	Project Name	PY24 HOME Affordable Housing Development and Rehabilitation
	Target Area	
	Goals Supported	Housing Options
	Needs Addressed	Affordable Housing Options
	Funding	HOME: \$ 422,022
	Description	Activities to include the rehabilitation of rental or homeownership units made available to households at or below 80% AMI. In addition, the City of Missoula will reserve a portion of its HOME funds for HOME Affordable Housing Development and Rehabilitation Activities.
	Target Date	6/30/2025

	Estimate the number and type of families that will benefit from the proposed activities	At least 27 affordable units will be supported with HOME funds.
	Location Description	City of Missoula
	Planned Activities	HOME funds will support exterior rehabilitation on an affordable housing complex in Missoula. These activities will support the Equity Plan goals of providing housing stability and increasing affordable housing options throughout the city.
5	Project Name	PY24 HOME CHDO Operating Expenses
	Target Area	
	Goals Supported	Housing Options
	Needs Addressed	Affordable Housing Options
	Funding	HOME: 17,000
	Description	CHDO Operating Assistance will provide assistance to support our local Community Housing Development Organizations (CHDOs). The funds will provide general operating assistance to CHDOs and will not exceed the 5% cap.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	The use of HOME funds for this purpose does not directly result in measurable output in terms of affordable housing units produced or households directly assisted
	Location Description	City of Missoula
6	Planned Activities	Activities will include overall support of Homeword, Inc. support their program.
	Project Name	PY24 CD CDBG Planning and Admin
	Target Area	
	Goals Supported	Planning and Administration
	Needs Addressed	Planning and Administration
	Funding	CDBG: \$106,794

	Description	Administrative activities undertaken by the Community Development division to administer CDBG funds for program year 2024. This is in keeping with the 20% cap on CDBG administration and planning dollars.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Administration and planning funds support CD's ability to administer CDBG funds.
	Location Description	City of Missoula
	Planned Activities	Administrative activities undertaken by the Office of Housing & Community Development to administer CDBG funds for program year 2024.
7	Project Name	PY24 CD HOME Planning and Admin
	Target Area	
	Goals Supported	Planning and Administration
	Needs Addressed	Planning and Administration
	Funding	HOME: \$35,070
	Description	Administrative activities undertaken by the Community Development division to administer HOME funds for program year 2024.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Administration and planning funding supports CD in its ability to administer HOME funds.
	Location Description	City of Missoula
	Planned Activities	Administrative activities undertaken by the Community Development division to administer HOME funds for program year 2024.

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

n/a

Geographic Distribution

Target Area	Percentage of Funds

Table 4 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The City of Missoula does not allocate its entitlement funding on the basis of geography. Due to its relatively small allocation, the City aims to have the necessary flexibility to fund and leverage projects, programs, and other efforts that will have the greatest impact on low- and moderate-income populations.

Discussion

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

As described in the Needs Assessment section of this plan, nearly two-thirds of the households in Missoula making less than 80% AMI have housing needs. An additional 500 more households making less than 80% AMI are projected to have housing needs over the next five years. The housing problem impacting the greatest number of Missoula homeowners is cost burden, while renter-occupied households with housing needs are most likely to experience severe cost burden. For households making between 0-30% AMI, 72% of Missoula renters and 54% of Missoula homeowners are severely cost burdened.

More affordable housing in Missoula was the single most articulated need throughout the community engagement process for this Plan, particularly for low- to moderate income populations, unhoused populations, and special populations, such as seniors, residents living with disabilities, and single mothers. As such, the City has prioritized its entitlement funding and local resources to facilitate affordable housing production and preservation throughout the community. Previous years' funds have gone to support the construction of 402 affordable rental units for residents qualifying between 30% and 80% of the Area Median Income, as well as the placement of a single-family homes into a community land trust to ensure permanent affordability. While a significant achievement in itself, the additional units are not enough to ease the affordable housing burden many Missoulians face every day.

During the 2024 Program Year, HOME and CDBG funds will be used to preserve affordability and livability across 49 rental units. Funds will additionally be used to support the rehabilitation of three (3) low to moderate income homeownership units, and to install a minimum of 10 modular aluminum wheelchair ramps and other exterior access improvements for low-to moderate-income seniors or peoples with disabilities who have limited mobility and are in need of improved accessibility in their homes.

As articulated in CFR 92.254(a)(2)(i), in the case of acquisition of newly constructed housing or standard housing, the housing must have a purchase price for the type of single-family housing that does not exceed 95 percent of the median purchase price for the area. Per the most recent HOME affordable homeownership limits provided by HUD, in 2023, the affordable home price for a one-unit home in Missoula County is \$445,000. As such, the maximum purchase price of a one-unit home in Missoula is \$422,750. In PY 25, the City of Missoula is using \$230,000 of its HOME funding to acquire a one-unit home (Project #5).

One Year Goals for the Number of Households to be Supported
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One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	51
Special-Needs	10
Total	61

Table 5 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	60
Acquisition of Existing Units	1
Total	61

Table 6 - One Year Goals for Affordable Housing by Support Type

Discussion

The City of Missoula will continue to pursue opportunities that increase and improve the affordable housing stock in the city and reduce housing cost burden for renters and owners. This will be primarily done by implementing the City's Housing Policy, which looks to minimize barriers and provide financial incentives, where possible, to promote the production and preservation of diverse, healthy, and safe homes for Missoulians.

The City continues to work closely with several affordable housing development partners whose mission-driven approach provides opportunities to increase affordable housing in the City. To assist with these efforts, the City developed a Voluntary Incentives Program, which builds relationships with builders and developers in exchange for city resources that result in public benefits. To date, the program has produced eight one-bedroom condominiums sold below market to buyers earning at or below 120% of AMI. Additionally, staff completed a year-long listening project focused on housing displacement, which resulted in the development of a dozen policy and programmatic recommendations.

Looking ahead, City staff remain focused on implementing strategies that measure impact and leverage opportunities to improve housing outcomes in the community. Program Year 2024 was the third year for the City of Missoula's Unified Application, in which CDBG, HOME, and local Affordable Housing Trust Fund (AHTF) dollars were combined. The AHTF comes with less restrictive conditions for funding and can help those up to 120% AMI, which allows the City to better leverage available funds to support underserved needs, especially in the realm of housing affordability. This year, the fund will help one project.

City resources, including CDBG and HOME dollars, have been and will continue to be strategically

devoted to construction and rehabilitation of affordable housing for low- and moderate-income Missoulians.

AP-60 Public Housing – 91.220(h)

Introduction

The City of Missoula's public housing authority is the Missoula Housing Authority. The Missoula Housing Authority (MHA) provides quality-housing solutions for low- and middle-income households in Missoula and the surrounding area.

Missoula voters created the Missoula Housing Authority in 1978. Currently, Montana state law states that public housing authorities shall address the problems of poor building conditions, improper planning, excessive land coverage, and unsafe conditions caused by overcrowding. To solve these problems, MHA is authorized to purchase property, demolish and rebuild areas of unsafe housing, and build new housing projects.

MHA operates and administers Housing Choice Vouchers (previously known as Section 8), Shelter Plus Care (permanent supportive housing for the homeless), Single Room Occupancy (SRO), and housing for homeless veterans' programs. It also develops affordable rental properties and provides rental management services to a number of affordable housing projects in Missoula. MHA originally operated public housing but converted its portfolio into Section 8 Housing Choice vouchers in 2021. MHA also receives a variety of special purpose vouchers serving the disabled, homeless veterans, foster youth at risk and other at-risk populations. MHA provides subsidized housing (HCV, SPC) for over 1,200 families, and owns (sometimes in partnership) and manages affordable housing for more than 1150 other households.

Actions planned during the next year to address the needs to public housing

MHA completed a new HUD program referred to as "Streamlined Voluntary Conversion." This program converted all Public Housing units to project-based Housing Choice vouchers. The homes will continue to be owned and managed by MHA with very little disruption, if any, to the current residents. The conversion places these important subsidized units on a more stable funding platform, providing tenants with more security and the option of portability, which is not available to them under the Public Housing program. The rent they pay remains the same and they will still have access to the Family Self-Sufficiency Program, a program that assists them with overcoming barriers to employment. The conversion took place late spring 2021.

MHA received awards of 66 Mainstream vouchers for non-elderly disabled residents, 52 HUD VASH vouchers for Veterans, 11 Foster Youth Initiative vouchers for at-risk youth aging out of foster care, and 16 Emergency Housing Vouchers (EHV) for homeless or at-risk families. However, the EHV program is currently winding down and the vouchers will sunset as people turn them over.

Missoula Housing Authority completed a 12-unit apartment complex that will house chronically homeless individuals in the community who are frequent utilizers of services. The Villagio, a new 200-

unit affordable housing complex, was completed in 2024 and includes 32 units with project-based vouchers. This allows the project to benefit lower income households than would be possible without the vouchers.

Another exciting project that completed leasing in PY 2023 is Trinity Apartments. This project is a collaboration among another non-profit developer, a private developer, and supportive service providers. Situated on two separate sites, it includes 202 units of affordable homes people can afford. Thirty permanent supportive housing vouchers will be placed in one of the sites, along with a navigation center to provide supportive services for residents and others in the community. MHA has placed 30 of its SPC vouchers in the Trinity building named “Blue Heron Place”. Blue Heron Place has 30 one-bedroom units; all placements are filled via the Missoula Coordinated Entry System prioritization policy.

MHA deployed 20 of its Mainstream vouchers to stabilize the Bridge Apartments as it changed ownership. The plan is to “project-base” them when the permanent owner takes over. MHA converted its long-standing Veterans’ housing project, Valor House, from transitional housing to permanent housing and “project-based” its HUD VASH vouchers into Valor House, as well as Cornerstone Apartments. MHA is actively looking for additional opportunities to project-base HUD VASH vouchers.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

MHA no longer has public housing and no longer has a resident advisory board. For many years, MHA has had a Housing Choice Voucher Homeownership program, which is open to voucher participants, including former public housing residents who are now in the Housing Choice Voucher program. Residents are offered the services of Family Self-Sufficiency (FSS) Coordinators. A key component of the FSS program are the escrow accounts made available to families, many of whom utilize these funds for homeownership.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

The Missoula Housing Authority is a high-performing agency.

Discussion

n/a

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

Missoula’s Continuum of Care (CoC) strategy includes triage, housing problem solving, crisis stabilization through outreach, emergency shelter, and information and linkages using the coordinated entry system; assistance with securing resources and essential social services; housing stabilization through prevention programs, rapid re-housing assistance, transitional housing, and case management; permanent supportive housing; and finally, interdependency in the market economy.

Missoula’s strategy was developed and is implemented and coordinated by the At-Risk Housing Coalition (ARHC). ARHC is an ongoing formal task force comprised of representatives of health and human service agencies and City and County governmental agencies. Since its inception in 1993, ARHC has worked to establish a common understanding of the issues surrounding low-income housing and homelessness in Missoula, and to develop a comprehensive plan with long- and short-term solutions.

The City and County have been key collaborators in the Missoula CoC and in community-wide planning processes designed to address the issue of providing adequate housing for low-income residents. The Community Planning, Development, and Innovation Department guides the work of ARHC by providing meeting coordination, facilitation of communications and strategies, and clerical support.

In October of 2012, the Reaching Home Work Group, convened by Mayor John Engen, released “Reaching Home: Missoula’s 10-year plan to end homelessness (2012-2022).” Since inception, Reaching Home has doubled in staff size evolving into: a Houseless Program Manager, Houseless Operations Specialist, and a Coordinated Entry Specialist. The City hired an evaluation group to conduct a comprehensive evaluation of the 10-Year Plan upon its ending in October 2022. Findings of that evaluation were released in spring of 2023. Key findings include:

- * Recognition of key successes such as creating a shared community vision, creation and growth of the Missoula Coordinated Entry System, and new creative programs to improve first responder interactions, add shelter options, and provide behavioral health resources
- * Recognition of key challenges including limited ongoing funding and challenges in staff capacity across service providers and the public sector
- * Ongoing gaps in prevention services, retention services, transitional housing to bridge people into stable housing, and communications and community engagement
- * Others not listed here

Following that evaluation, City Houseless Programs released a limited solicitation for a group to lead Missoula through the process to create a new strategy to address homelessness. The City selected and contracted with Homebase at the start of 2024 and work is underway on that project. Missoula joined Built for Zero in summer 2022 and has made great strides since then. Achievements thus far include

achieving Quality Data for single adults, veterans, and chronically unhoused neighbors; hosting a two-day, in-person learning session in November 2023, among others.

Challenges in addressing houselessness are felt across the State and nation. Missoula, like many localities, is attempting to respond to a national issue with limited local resources. In many ways, Missoula partners are stepping up to the challenge, but continue to face significant barriers in funding and services capacity.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Several programs in Missoula specialize in reaching out to unhoused residents, assessing their individual needs, and providing a wide range of unduplicated services. As part of Missoula's Coordinated Entry System, the City operates a Community Outreach Team comprised of staff from:

- Poverello Center's Homeless Outreach Team (H.O.T.);
- Western Montana Mental Health Center's federally-funded PATH program (Projects for the Assistance in Transitioning from Homelessness);
- Open Aid Alliance's Peer Support and harm reduction "Uncovery" treatment program;
- Volunteers of America;
- Staff from the Youth Homelessness Demonstration Program (YHDP) at Human Resource Council;
- Cross-organizational Community Health Workers; and
- Hope Rescue Mission.

The group assesses needs and identifies access barriers for people experiencing chronic houselessness and households that need to be met "where they are" – literally and circumstantially. The Homeless Outreach Team serves as a Coordinated Entry System Access Point, providing basic need survival items, like food, tents and clothing items, as well as access to the Coordinated Entry process. They may at times also provide short-term case management, as well as testing services (HIV, HEP C and Syphilis), syringe exchange services, overdose prevention training and supplies, and peer services.

Addressing the emergency shelter and transitional housing needs of homeless persons

The Poverello Center serves as Missoula's primary emergency shelter for adults who are unhoused. Currently, the Poverello offers 135 shelter beds with room for an additional 15 people to sit inside and be safe and warm, as well as 20 transitional housing beds for Veterans. Additionally, the Poverello Center contracts with the City to operate the Johnson Street Temporary Emergency Shelter, which is a low-barrier shelter with 165 beds and room for an addition 15 people to sit inside and be safe and

warm. The Johnson Street Shelter was used as a winter-only Emergency Winter Shelter for three winters (2020-2023). In the summer of 2023, Missoula saw a clear need for additional emergency shelter capacity year-round, so with advocacy from community service providers, the City and County allocated funding to re-open the building used for Emergency Winter Shelter for full year-round operations instead, now called the Johnson Street Temporary Emergency Shelter. The shelter currently has funding until September 2024; after that, its future is unknown.

Missoula continues to have the second largest population of unhoused families in the state, per the 2023 Point-in-Time count. Missoula's dramatic shift in real estate values—a 57% increase from 2020 to 2023 affects a broad cross section of the community. In addition, in the past four years, Missoula public schools report that the number of students from unhoused families has increased from 326 in 2020-2021 to 546 in 2023-2024. The lack of affordable housing is the primary contributor to family homelessness, followed by domestic violence. Additional factors include poverty and low wages, leading to cost-burdened households.

YWCA Missoula opened the doors to The Meadowlark in the spring of 2021; the facility has gone through various periods of being full since that time. When planning for the new facility, the YWCA knew that because of the strong intersection between domestic violence and family homelessness, participants from both of these programs often required the same or very similar trauma-informed comprehensive services to rebuild their lives. This facility includes the Missoula Family Housing Center with 25 rooms for unhoused families, and the YWCA Missoula Domestic Violence Shelter in the other wing with 13 rooms for individuals and families fleeing domestic and sexual violence and trafficking with a high safety risk.

In FY23, YWCA Missoula provided emergency shelter to 108 families (comprised of 113 women, 49 men, one trans/non-binary adult and 189 children). This represents an 18% increase in the number of families sheltered compared to last year, and a 52% increase from two years ago. The Family Housing Center also provided walk-in support and services to an additional 195 households, including 325 additional children. Across all housing programs, which includes Rapid Rehousing and Transitional Housing, 344 households made up of 837 individuals received shelter, housing, housing assistance or other housing services from YWCA Missoula. This represents a 32% increase in the number of households assisted compared to last year, and a 50% increase from the number of households assisted two years ago.

Because of the increase in demand, the Meadowlark's model has adapted and continues to adapt based on focus groups and feedback from participants. Staffing has been restructured to provide targeted intensive case management, balanced with daily supports. In addition, intake, orientation, and general policies and procedures have been restructured through an equity lens that considers race, ethnicity, ability, and gender.

Helping homeless persons (especially chronically homeless individuals and families, families

with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Missoula currently provides several forms of rental assistance and supportive housing to shorten the length of houselessness and facilitate a successful transition into safe, stable, and permanent housing.

In Missoula, ESG funding is awarded directly to the Human Resource Council (HRC). The ESG rapid re-housing (RRH) program can be used to assist homeless individuals with any of the following: one to three months of rental assistance, a rental security deposit equal to no more than two months' rent, last months' rent, rental application fees, and arrears from a prior rental. The ESG RRH program targets individuals who meet the "literally homeless definition" and are prioritized via the Missoula Coordinated Entry System.

Missoula also established a Housing Solutions Fund (HSF) in March 2020. The HSF operates as a flexible, creative, financial resource program, offering support to literally homeless or at-risk households and individuals. HSF funding has covered rental assistance and deposits, rent and utilities in arrears, relocation costs, personal identification and rental application fees, and other creative housing solutions. HSF strives to cover costs that are ineligible for other funding sources and at the lowest-barrier application threshold possible. As funding and processes became more stable, starting in 2021, over \$350,000 has been dispersed to 490 households to move into, get closer to, or stay within their current housing. In 2023 alone, \$253,000 was distributed to 277 households for an average of \$913 per approved request. Having HSF as a local resource is invaluable; HSF can serve households where they're at and bolsters self-identified goals, while simultaneously decreasing the number of households entering the houseless response system (inflow) and increasing the number of households exiting the system to permanent housing (outflow).

The Family Housing Center (FHC) serves homeless one and two-parent families with children. This population is largely comprised of low-income women and their children. Members of the BIPOC community are over-represented compared to the general population. The FHC serves and meets their needs in several ways. Above all, providing shelter on the same day a family loses their housing, along with immediate access to staff and services 24-hours a day is paramount. Private sleeping rooms and bathrooms help families take the first step towards safety and dignity. Nightly dinners build community and helps families save money. The indoor and outdoor safe structured play spaces for children create opportunity for healing (and represent a positive change from children playing in motel parking lots). Evaluations and surveys guide service delivery so they are truly trauma-informed and address root causes, so residents are empowered to overcome the barriers that led them to shelter.

Helping low-income individuals and families avoid becoming homeless, especially extremely

low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

The Missoula community has a robust collaborative effort that engages in system level planning aimed at addressing prevention, systems of care, and planning for successful discharges.

The At-Risk Housing Coalition (ARHC) convenes and monitors the Salvation Army's Winter Shelter rental assistance program. This program operates each December through April with the mission of keeping people housed during the coldest months by providing eviction prevention rental assistance to those at risk of homelessness.

The Community Supported Reentry Program (CSRP) is run by the Missoula County Sheriff's Office within the detention facility. The CSRP was developed to assist in reducing the pretrial population within the detention facility and provide innovative strategies to address the high demand, high needs offender population by accessing services available within the community. The program focusses on Native American adults, female adults, and individuals that have established a pattern of frequent interaction with the criminal justice system. The CSRP Team is made up of a Reentry Coordinator, a Reentry Program Specialist, a Native American Peer Support Program Specialist, and a Licensed Clinical Social Worker/Licensed Addiction Counselor. Team members screen eligible inmates in jail using the CSRP Intake Needs Assessment Screening Tool.

Discussion

The Strategic Goals in the action plan and in the five-year Consolidated Plan contribute to the City's overall efforts to address houselessness collectively across public and private sector agencies. The ending of Reaching Home: Missoula's 10-Year Plan to End Homelessness brought to light a number of successes from that plan, as well as a number of gaps and areas for opportunity given how much our community changed since that place was launched in 2012. Community partners are currently guided by the Missoula Coordinated Entry System and Built for Zero priorities and will come together under a new shared vision through the current process to create a new community strategy to address houselessness. The At-Risk Housing Coalition (ARHC), which is Missoula's Continuum of Care organization, implements the Coordinated Entry System, aims to prevent and divert households from entering the homeless system, reduce duplication of services, provide data to improve outcomes, and result in prioritizing limited housing resources. Coordinated Entry not only saves lives, but local resources, too.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

There are several barriers inhibiting affordable housing development in Missoula. Regulatory environment barriers, such as land use regulations that are incompatible with city housing goals, limited land zoned for affordable housing, burdensome subdivision requirements, and lack of city/county alignment around future growth, all play a part in slowing down the City's ability to build affordable housing. Barriers related to housing development, including expensive infrastructure requirements, rising development costs due to labor shortages and inflation, neighborhood pushback on affordable housing development, and uncertainty in development review processes also prove to be challenging.

Additionally, funding, cooperation and collaboration among partners, and lack of understanding about housing issues on a community-level all contribute to developing affordable housing in the city. From a climate perspective, rising energy costs can be a barrier to affordable housing, particularly because many older buildings do not have adequate weatherization to maintain safe and comfortable temperatures without high cost during extreme winter and summer weather events.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

. While challenging, the City is making significant strides in addressing barriers highlighted above. In June 2019, the City of Missoula adopted "A Place to Call Home", a citywide housing policy aiming to address increasing housing costs in Missoula. The policy outlined four strategy areas:

- Track and Analyze Progress for Continuous Improvement
- Align and Leverage Existing Funding Resources to Support Housing
- Reduce Barriers to New Supply and Promote Access to Affordable Homes
- Partner to Create and Preserve Affordable Homes

To address regulatory environment barriers, the City is currently undergoing an update to its growth policy, called Our Missoula. The growth policy will guide future urban growth and development over the next 20 years that aim to address social, cultural, and racial inequities; housing shortages and rising housing costs; and the causes, as well as accelerating effects, of climate change. As part of the Growth Policy update, the City commissioned an "Equity in Land Use" report, which evaluated Missoula's land use policy and zoning regulations to assess how well they currently support its social equity goals, including advancing housing affordability and reducing barriers to historically disadvantaged populations from thriving in the community. The report found four key findings related to Missoula's current zoning and land use regulations:

- A high share of land is reserved for low density, exclusive single-dwelling housing that is unaffordable to all but the most affluent households.
- A very small share of land allows housing at density levels high enough to deliver housing affordable to middle- and lower-income households.
- The spatial distribution of zone districts has contributed to, and perpetuates, segregation along lines of class and race and exclusion of lower income households from neighborhoods with high economic and educational opportunity.
- The spatial distribution of zone districts has also concentrated lower income households in the same neighborhoods where new development activity is concentrated, contributing to a higher risk of gentrification and displacement of lower income households in those neighborhoods.

Coming out of the “Equity in Land Use” report, the City will explore recommendations that effectively advance equity through land use policy and regulations. Recommendations include:

- Distributing opportunities for affordable housing types broadly throughout the city
- Enabling density levels that open up the possibility for smaller, more affordable units, which are more energy efficient
- Providing zoning incentives for income-restricted affordable housing
- Others not listed here due to space limitations

Exploring and pursuing these recommendations will aim to improve equitable outcomes in land use policy and regulations, community resiliency, and affordability. Smaller units, especially those in multifamily or mixed-use buildings, tend to be much more energy efficient than single family dwellings or larger units

The resultant lower energy bills contribute to the overall affordability of the housing unit. Additionally, developing walkable neighborhoods relieves pressure on urban sprawl and saves residents money on transportation costs.

Additionally, the City’s Our Missoula Development Guide (OMDG) is a tool that tracks and reports out on residential development trends occurring within the Missoula urban area. This area includes the city proper, as well as the Urban Fringe Area that extends into the County (also known as the Growth Policy Boundary). The City’s most recent OMDG, 2018-2028, estimates that there is enough capacity in the Urban Services Areas over the next ten years to accommodate 6,500 new dwelling units.

Discussion:

While funding continues to be a barrier to affordable housing development, the City established its Affordable Housing Trust Fund (AHTF) in 2020 with the intention of providing a targeted and sustainable source of funding to increase and preserve affordable housing in Missoula. The Fund provides a dedicated, flexible local funding source to support housing activities in Missoula and to provide the consistency and predictability that enable long-range planning, multi-year projects, and measured risk-taking in order to address the city’s severe housing needs. It is a revolving fund with a competitive

application process intended to allow the leveraging of other outside resources and decrease the need for annual fund-seeking from other federal and private sources. The AHTF has currently committed \$1.7 million to preservation and acquisition of affordable housing, as well as consumer housing services to assist households with housing access/retention and homebuyer and financial education. The City's housing policy and climate teams continue to work on combining weatherization and clean energy measures with affordable housing projects to ensure energy costs remain low and predictable for residents. Additionally, the City created a Unified Application process to reduce time and process for applicants and leverage federal funding.

Other barriers impacting affordable housing include a lack of community-level understanding of housing issues in Missoula, lack of communication among different sectors that intersect with housing, continued collaboration among public, private, and nonprofit sectors, and additional financial support for nonprofit organizations to expand housing efforts. Through the efforts described above, the City is making intentional efforts to strengthen coordination and collaboration among partners and to educate the broader public about the collective benefits of affordable housing in the community.

The City will continue to implement its housing policy and identify strategic opportunities that contribute to addressing affordable housing barriers in the community.

AP-85 Other Actions – 91.220(k)

Introduction:

The Community Development (CD) division of the Community Planning, Development, and Innovation Department administers the City of Missoula's HOME and CDBG allocations, although additional funding efforts add value to these investments. The Missoula Redevelopment Agency administers Tax Incremental Financing (TIF) in six Urban Renewal Districts. Whenever possible, CD leverages TIF resources from MRA to support HOME and CDBG-funded projects. In addition, the City of Missoula administers EPA Brownfields Assessment and RLF Cleanup funds and often utilizes these funds to facilitate affordable housing development.

Actions planned to address obstacles to meeting underserved needs

The Missoula City Council adopted a comprehensive citywide Housing Policy, entitled "A Place to Call Home: Meeting Missoula's Housing Needs" on June 24, 2019. This policy aims to leverage all city assets and funding sources available to support underserved needs, especially in the realm of housing affordability. An overarching goal of the policy is to improve the experiences of housing consumers. This is achieved through funding direct service programs, building partnerships to expand access to housing and other resources and offering education around access. Staff in the Community Development division have Fair Housing education and partner with HUD's Office of Fair Housing and Equal Opportunity to offer Fair Housing education to various stakeholders and audiences.

The City has combined the application for projects into a Unified Application cycle that includes HOME, CDBG, and the local Affordable Housing Trust Fund (AHTF). Combining funding sources has allowed the City to better leverage the funds available to support underserved needs, especially in the realm of housing affordability.

The primary obstacle to addressing underserved needs is the fact that funding levels are simply insufficient to meet the needs. Requests for funding from HOME, CDBG, and AHTF far exceed funds available. To address the obstacle of limited funding, the City employs ranking criteria for the funds weighing most heavily on the community impact that will result from these investments.

Actions planned to foster and maintain affordable housing

Most of the barriers to affordable housing identified in Missoula are due to regulatory restrictions, a lack of funding sources, and a lack of partnership and community cohesion around affordable housing. As described above, the City is implementing several actions and strategies to address the community's shortage of affordable housing, including implementing the City's Housing Policy, updating its Growth Policy, streamlining and leveraging available funding sources, and strengthening coordination and collaboration among public, private, and nonprofit partners in the community.

Actions planned to reduce lead-based paint hazards

The City of Missoula works to address lead-based paint (LBP) hazards as applicable on any city project. This includes new construction on sites that require site contamination cleanup (using Brownfields funds), homeownership rehabilitation projects, and down payment assistance loans. All homeowner rehabilitation or rental assistance projects funded through the City's HOME or CDBG programs require that units constructed prior to 1978 must pass a visual inspection for lead-based paint by certified LBP inspectors. Owners or managers are required to complete a disclosure certification of their knowledge of the use of LBP in the unit; potential tenants or buyers are provided a brochure outlining LBP hazards, and a Lead Warning Statement is attached to the rental lease or home purchase documents. If required, mitigation procedures must be successfully completed prior to occupancy, and a second inspection is done to verify compliance. If the owner/landlord is unwilling to abate identified LBP hazards, the assisted client is directed to find another unit. The Missoula City-County Health Department provides lead testing upon request and provides brochures and a video about the hazards of lead in paint and other materials.

Additionally, in accordance with the HUD Notice CPD-23-103 on Addressing Radon in the Environmental Review Process, the City of Missoula will require that all CDBG and HOME contracts entered into between the City and recipients of funding from those programs include language that stipulates that recipients must comply with radon testing procedures. This will involve utilizing approved testing methods outlined by HUD and adhering to the recommended protocols for accurate measurement. Subsequently, if elevated radon levels are detected, the City will require effective mitigation measures in collaboration with qualified professionals. Each project will maintain detailed records of radon testing and mitigation efforts to comply with HUD reporting requirements.

Actions planned to reduce the number of poverty-level families

The City of Missoula and the Community Development division make conscious efforts to coordinate and closely align action plan goals for HUD-Funded Programs with other City planning efforts. This plan and the goals contained within it are meant to work closely with other existing efforts to alleviate poverty in Missoula. The first three goals of this plan, Increasing Housing Options, Supporting Vulnerable Populations, and Community Services, complement and reinforce existing and ongoing efforts to address housing cost burden and other challenges experienced by Missoula families living in poverty.

Actions planned to develop institutional structure

The current Community Development (CD) division, previously named the Office of Housing and Community Development, was created in July 2016. As part of a city-wide reorganization and realignment, the Community Development division became a part of the Community Planning, Development, and Innovation Department (CPDI). The mission of the Community Development division is to empower our neighborhoods, increase quality of life, and address sustainability across the

community. The office often has interns from the University of Montana as a part of the team as well.

Currently, CD consists of a Deputy Director, a Community Development Coordinator, and four programs: a houseless program, a policy program, and a grants program. The programs work in conjunction to ensure a cohesive strategy to address Missoula's housing and houseless needs. In addition, the grants program is looking to expand its role to further leverage funding resources to better support the Missoula community.

Actions planned to enhance coordination between public and private housing and social service agencies

Missoula has various public and private housing and social services agencies that coordinate a number of activities through different avenues.

The At-Risk Housing Coalition (ARHC), a coalition of health, human service, and local government agencies that was formed in 1992, works on issues concerning low-income housing and homelessness in Missoula and coordinates local efforts to plan and deliver comprehensive services through a Continuum of Care (CoC). In January of each year, ARHC organizes a Project Community Connect event: a one-day, one-stop event aimed at connecting homeless persons (sheltered and unsheltered) and those at-risk of becoming homeless with core social service agencies. The event offers an opportunity to assess and address the needs of many of Missoula's homeless persons who are unassisted.

Nonprofit housing developers, primarily Community Housing Development Organizations, meet occasionally to discuss future projects and local issues affecting housing. Private for-profit housing developers, realtors, nonprofits, and others are also part of those discussions from time to time. The annual Unified Application workshop has also become an avenue for discussion and coordination of efforts, as well as a key time to synchronize timing of applications for local and state funding for projects to maximize available funds and increase the success rate for projects to be developed in Missoula.

Missoula participates in the statewide Montana Housing Coordinating Team, which is organized by the Montana Department of Commerce. Meetings are held quarterly to discuss affordable housing, new developments, funding opportunities and other currently available resources and plans.

Additionally, through the implementation of the comprehensive housing policy, the City of Missoula has seated an Affordable Housing Resident Oversight Committee. The committee, which consists of 12 members and an even split between renters and owners, creates and oversees funding policies and priorities for the Affordable Housing Trust Fund.

Community Development hosts a monthly Community Partners Forum to facilitate communication and partnership among agencies across the community. Attendees include non-profits, for-profit assisted

housing providers, and representatives of the community's private and governmental health, mental health, and service agencies.

Discussion:

n/a

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

All CDBG funds expected to be available during the program year include program income that will have been received before the start of the next program year. Because the City does not have programs for Section 108 loans, surplus from urban renewal settlements, line of credit for planned use not included in prior plans, or float-funded activities, there is subsequently very little program income from these programs. All program income will be expended before or in conjunction with allocated CDBG or HOME funds, and for activities that benefit persons of low- and moderate-income.

HOME funds expected to be available during the program year include program income that will have been received before the start of the next program year and will be spent for activities that benefit persons of low- and moderate-income. HOME funds are not used to refinance existing debt secured by multifamily housing that may be rehabilitated with HOME funds.

The City of Missoula does not have program funds for ADDI, HOPWA or ESG.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	29,370
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	29,370

Other CDBG Requirements

1. The amount of urgent need activities	0
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2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.

100.00%

**HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(l)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

(1) A participating jurisdiction may invest HOME funds as equity investments, interest-bearing loans or advances, non-interest-bearing loans or advances, interest subsidies consistent with the purposes of this part, deferred payment loans, grants, or other forms of assistance that HUD determines to be consistent with the purposes of this part. Each participating jurisdiction has the right to establish the terms of assistance, subject to the requirements of this part.

(2) A participating jurisdiction may invest HOME funds to guarantee loans made by lenders and, if required, the participating jurisdiction may establish a loan guarantee account with HOME funds. The HOME funds may be used to guarantee the timely payment of principal and interest or payment of the outstanding principal and interest upon foreclosure of the loan. Missoula does not intend to use any other form of investment beyond those listed above.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

In awarding HOME funds for homeownership, including down payment assistance, closing costs or other HOME assistance provided directly to the homebuyer, the City of Missoula has adopted the recapture provisions as specified by 24 CFR 92.254 and described in detail below. Homebuyers assisted under HOME will be required to adhere to recapture guidelines applied to their home. An organization awarded HOME funds (the "Subrecipient") for homebuyer assistance will be instructed to use the recapture or resale method and must submit their policy for the applicable method if a home is sold during the period of affordability.

In accordance with 24 CFR 92.254(a)(5)(ii)(A)(5), which states "If the HOME assistance is only used for the development subsidy and therefore not subject to recapture, the resale option must be used," if the City of Missoula provides HOME assistance as development subsidy only, it will follow the resale provisions detailed in the full City of Missoula Resale and Recapture Policy. In accordance with HUD guidance, these resale provisions will apply to all Program Year 2024 HOME-assisted

housing development activities as well as any homebuyer development projects that were approved in previous program years and are completed during PY2024.

To see the full City of Missoula Resale and Recapture Policy, contact the Community Development division at (406) 552-6330 or visit <https://www.ci.missoula.mt.us/3071/HUD-Grants>.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

To enforce HOME Program requirements, a Restriction Agreement, Subordinate Deed of Trust, and Promissory Note are used and contain the following provisions:

- amount and use of the loan;
- requirement that the property be the primary residence of the family;
- period of affordability;
- equity share provision upon sale of the home purchased with HOME fund assistance;
- equity sharing based on the ratio of subsidy provided to the purchase cost of the home; and
- recapture provision based on net proceeds available from sale, transfer or foreclosure of the home.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

The City of Missoula does not currently use or plan to use HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds.

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).

n/a

6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).

n/a

7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

n/a

Housing Trust Fund (HTF)
Reference 24 CFR 91.220(l)(5)

1. Distribution of Funds

- a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2).
- b. Describe the jurisdiction's application requirements for eligible recipients to apply for HTF funds.
- c. Describe the selection criteria that the jurisdiction will use to select applications submitted by eligible recipients.
- d. Describe the jurisdiction's required priority for funding based on geographic distribution, which is a description of the geographic areas of the State (including areas of low-income and minority concentration) in which it will direct assistance during the ensuing program year.

e. Describe the jurisdiction's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner.

f. Describe the jurisdiction's required priority for funding based on the extent to which rents for units in the rental project are affordable to extremely low-income families.

g. Describe the jurisdiction's required priority for funding based on the financial feasibility of the project beyond the required 30-year period.

h. Describe the jurisdiction's required priority for funding based on the merits of the application in meeting the priority housing needs of the jurisdiction (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations).

i. Describe the jurisdiction's required priority for funding based on the location of existing affordable housing.

j. Describe the jurisdiction's required priority for funding based on the extent to which the application makes use of non-federal funding sources.

2. Does the jurisdiction's application require the applicant to include a description of the eligible activities to be conducted with HTF funds?

3. Does the jurisdiction's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements?

4. **Performance Goals and Benchmarks.** The jurisdiction has met the requirement to provide for performance goals, consistent with the jurisdiction's goals established under 24 CFR 91.215(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

5. Rehabilitation Standards. The jurisdiction must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The jurisdiction's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The jurisdiction must attach its rehabilitation standards below. If the jurisdiction will not use HTF funds for the rehabilitation of housing, enter "N/A".

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; Capital Needs Assessments (if applicable); and broadband infrastructure (if applicable).

6. Resale or Recapture Guidelines. Below, the jurisdiction must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the jurisdiction will not use HTF funds to assist first-time homebuyers, enter "N/A".

7. HTF Affordable Homeownership Limits. If the jurisdiction intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the jurisdiction will not use HTF funds to assist first-time homebuyers, enter "N/A".

8. Limited Beneficiaries or Preferences. Describe how the jurisdiction will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the jurisdiction will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter "N/A."

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the jurisdiction must not limit or give preferences to students. The jurisdiction may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303 only if such limitation or preference is described in the action plan.

9. Refinancing of Existing Debt. Enter or attach the jurisdiction’s refinancing guidelines below. The guidelines describe the conditions under which the jurisdiction will refinance existing rental housing project debt. The jurisdiction’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the jurisdiction will not refinance existing debt, enter “N/A.”

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Discussion:

The City of Missoula is committed to complying with all applicable CDBG and HOME regulations.