



PROGRAM YEAR 2022 CAPER

Consolidated Annual Performance and Evaluation Report

The annual report of housing, economic development,
public facility, and human service programs funded by
the U.S. Department of Housing and Urban
Development (HUD).

**For Program Year 2022
July 1, 2022 – June 30, 2023**

For HUD-Funded Programs

**Community Development Division
435 Ryman Street
Missoula, Montana 59802
(406) 552-6630**

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

Missoula's Community Development Division (CD) selected eight projects to fund in PY22: three projects for CDBG funding, and five for HOME funding (this included CDBG and HOME admin). In total, the City of Missoula and its CDBG and HOME partners made great strides in achieving the goals of the 2022 Annual Action plan, which was the fourth year of the 2019-2023 Consolidated Plan.

CDBG funds were used to purchase and place a single-family home into a community land trust model, ensuring its permanent affordability and avoiding displacement of its current tenant. The rear lots of the purchase will be considered for future development of three additional permanently affordable houses. In addition to supporting that project, funds are being used for a CDBG Public Facilities and Infrastructure project that will provide transitional housing for 20 unhoused veterans through the Housing Montana Heroes project.

Additional funding of two large projects with PY22 HOME funds are helping push the projects to completion with the development of 402 units of affordable rentals. The first is a 202-home project located on two sites in Missoula, 30 of which will be supportive housing, accompanied by a navigation center, for Missoula's long-term unhoused neighbors. The second project includes 200 units priced to be affordable for people making at or below 60% of the area median income. The remaining HOME funds are expected to be used for HOME-eligible Affordable Housing projects.

In addition, the City of Missoula and its partners leveraged HUD and non-HUD resources to work towards continuing an owner-occupied rehabilitation program that provides loans to people with low incomes.

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 was established in July 2020. While implementing our first unified application round for CDBG, HOME and AHTF for PY22, those projects that may have been previously funded as CDBG public service projects were directed to the AHTF in an effort to decrease the need for annual fund-seeking from other federal and private sectors.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Homelessness	Homeless	CDBG: \$ / HOME: \$ / General Fund: \$ / EPA Brownfields: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	34		17	0	0.00%
Homelessness	Homeless	CDBG: \$ / HOME: \$ / General Fund: \$ / EPA Brownfields: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	944	2036	215.68%			
Homelessness	Homeless	CDBG: \$ / HOME: \$ / General Fund: \$ / EPA Brownfields: \$	Homeless Person Overnight Shelter	Persons Assisted	2552	5586	218.89%			

Homelessness	Homeless	CDBG: \$ / HOME: \$ / General Fund: \$ / EPA Brownfields: \$	Overnight/Emergency Shelter/Transitional Housing Beds added	Beds	39	0	0.00%			
Homeownership	Affordable Housing	CDBG: \$ / HOME: \$ / General Fund: \$ / EPA Brownfields: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0				
Homeownership	Affordable Housing	CDBG: \$ / HOME: \$ / General Fund: \$ / EPA Brownfields: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	1465				
Homeownership	Affordable Housing	CDBG: \$ / HOME: \$ / General Fund: \$ / EPA Brownfields: \$	Rental units constructed	Household Housing Unit	0	1		0	1	

Homeownership	Affordable Housing	CDBG: \$ / HOME: \$ / General Fund: \$ / EPA Brownfields: \$	Rental units rehabilitated	Household Housing Unit	0	0		0	0	
Homeownership	Affordable Housing	CDBG: \$ / HOME: \$ / General Fund: \$ / EPA Brownfields: \$	Homeowner Housing Added	Household Housing Unit	15	0	0.00%	1	1	100.00%
Homeownership	Affordable Housing	CDBG: \$ / HOME: \$ / General Fund: \$ / EPA Brownfields: \$	Homeowner Housing Rehabilitated	Household Housing Unit	12	50	416.67%	5	8	160.00%
Homeownership	Affordable Housing	CDBG: \$ / HOME: \$ / General Fund: \$ / EPA Brownfields: \$	Housing for Homeless added	Household Housing Unit	0	0		0	0	

Homeownership	Affordable Housing	CDBG: \$ / HOME: \$ / General Fund: \$ / EPA Brownfields: \$	Housing for People with HIV/AIDS added	Household Housing Unit	0	0		0	0	
Planning and Administration	Planning and Administration	CDBG: \$ / HOME: \$ / General Fund: \$ / EPA Brownfields: \$	Other	Other	0	0		3	3	100.00%
Rental Housing	Affordable Housing Homeless	CDBG: \$ / HOME: \$ / General Fund: \$ / EPA Brownfields: \$	Rental units constructed	Household Housing Unit	264	0	0.00%	402	0	0.00%
Rental Housing	Affordable Housing Homeless	CDBG: \$ / HOME: \$ / General Fund: \$ / EPA Brownfields: \$	Housing for Homeless added	Household Housing Unit	40	0	0.00%			

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

Missoula's Community Development division (CD) has shifted the focus of CDBG and HOME federal grant programs since its inception in 2016 to be more targeted on making an impact on the number and quality of homes people can afford in Missoula and working to make homelessness in the community rare, brief, and one time only. This has meant focusing Annual Action Plans and Consolidated Plans on fewer goals. This strategy intends to more highly leverage these federal grant programs and make greater impact in the areas where the community sees the most need.

Goal 1 - Rental Housing – Two major rental housing projects will exceed Missoula's 2019-2023 Con Plan's overall rental housing goals upon completion in 2023. The Villagio and Trinity projects both received HOME funds in the past, and the Trinity received supplemental funding in PY2021. These two construction projects will provide much needed affordable homes in Missoula. The Villagio is set to create 200 affordable rental homes, while Trinity includes 202 affordable rental homes on two separate sites with a navigation center to provide supportive services. No project that would provide rental housing for the homeless has been brought forward for funding. However, it is anticipated that some of those housed at the Villagio and Trinity projects may in fact be people who have been previously homeless.

Goal 2 - Homeownership - In the fourth year of Missoula's 2019-2023 Consolidated Plan, Missoula's CDBG funds were used to purchase and place a single-family home into a community land trust model, ensuring its permanent affordability and avoiding displacement of its current moderate-income tenant. The rear lots of the purchase will be considered for future development of three additional permanently affordable houses. In addition, the City of Missoula and its partners leveraged HUD and non-HUD resources to work towards continuing an owner-occupied rehabilitation program that provides loans to people with low incomes. Missoula continues to work with the Human Resource District XI to perform homeowner rehab on eight homes. Work on all of the homes has been started with completion expected by winter.

Goal 3 - Homelessness – Missoula continues its commitment to meet the needs of people experiencing homelessness. However, the source of funding for such efforts is being adjusted. In PY22, Missoula changed 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 was established in July 2020. While implementing our first unified application round for CDBG, HOME and AHTF for PY22, those projects that may have been previously funded as CDBG public service projects, which oftentimes assist people who are unhoused, were directed to the AHTF in an effort to decrease the need for annual fund-seeking from other federal and private sectors. CDBG funds, however, are expected to be

used to fund a CDBG Public Facilities and Infrastructure project that will provide transitional housing for 20 unhoused veterans through the Housing Montana Heroes program. No funds have been drawn to date.

Goal 4 - Planning and Administration - Planning and administration to ensure success in meeting our goals was also met through CD administration to support their efforts to plan and develop new housing developments that will result in increased rental and homeownership units that are affordable for low- to moderate-income households.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).
91.520(a)

	CDBG	HOME
White	7	0
Black or African American	0	0
Asian	0	0
American Indian or American Native	2	0
Native Hawaiian or Other Pacific Islander	0	0
Total	9	0
Hispanic	0	0
Not Hispanic	9	0

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

The Missoula area as a whole is (U.S. Census Bureau, 2021):

- 89% White
- 6% Two or more races
- 4% Hispanic/Latino
- 2% American Indian and Alaskan Native
- 1.7% Asian
- Less than 1% Black/African American and Native Hawaiian or Pacific Islander

In 2021, 89% of Missoula’s population identified as non-Hispanic White, with Hispanic/Latino residents (4%) and American Indian and Alaska Natives (2%) representing the next largest racial or ethnic groups in the city.

As noted above, almost 9 in 10 residents in Missoula identify as non-Hispanic White. The next largest populations are residents who identify as two or more races (6%), Hispanic or Latino (4%) and American Indian or Alaska Native (2%), Asian, (1.7%) and residents who identify as some other race (1%). Black/African American and Native Hawaiian or Pacific Islander residents represent less than 1% of Missoula’s population, respectively.

The City's Consolidated Plan for HUD-Funded Programs for 2019-2023 examines demographic patterns and disproportionate impacts more thoroughly. For the purpose of this CAPER, the families assisted during the PY2022 program year mirror the city's overall demographics.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	562,598	466,792
HOME	public - federal	424,356	343,607
General Fund	public - local	0	
Other: HOME ARP	public - federal	1,323,209	3,328

Table 3 - Resources Made Available

Narrative

In PY2022 the City of Missoula allocated \$562,598 to CDBG activities. We expended \$466,792.40 during PY2022. As of the close of PY2022, the Human Resource Council homeowner rehabilitation project, which was originally funded in PY19, has unexpended funds, having suffered delays and unavailable contractors and supplies due to the pandemic; HRC continues to work to distribute these funds to qualifying homeowners. A PY22 project, Housing Montana Heroes: Relocation, is ongoing and due to the complexity of relocating individuals in compliance with URA and Section 104(d) regulations, no funds have been expended at this time.

In PY2022 the City of Missoula allocated \$424,356 to HOME activities and expended \$343,607. Homewood's Trinity apartments and the Villagio are both large construction projects that are nearing completion, and the City expects that the projects' remaining HOME funds will be expended in PY2023. In addition, the City was awarded \$1,323,209 HOME ARPA funds in 2021, and in program year 2022, \$3,327 was expended for administrative costs.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Table 4 – Identify the geographic distribution and location of investments			

Narrative

The City directs its efforts to projects that identify specific needs for low- and moderate-income (LMI) persons and households rather than direct its allocations of CDBG or HOME to any particular geographical section of the City. Missoula is small enough that concentrations of minorities vary throughout the City. According to the 2021 ACS, about 11% of Missoula's population were non-white and 4% were classified as Hispanic of any race. An area of minority concentration is defined as census

tracts where the minority concentration is at least 5% greater than the City as a whole. Therefore, census tracts or areas with 13.5% or greater minority population would be considered an area of minority concentration. Missoula is not racially diverse, and no census tracts in Missoula that meet the definition of area of minority concentration.

The Human Resource Council homeowner rehabilitation project, the Housing Montana Heroes project, and HOME funds set aside for Affordable Housing do not target any one area of the City but will be available for all LMI persons and households.

Two large rental housing projects are nearing completion that will benefit the North and Westside neighborhoods, which are within an Opportunity Zone as designated by HUD. The housing will be served by existing streets, roads and utilities and is consistent with City goals and objective to increase the availability of fair housing and meet the needs of citizens seeking housing proximal to general services. It also meets the primary goal of City growth to “focus inward.”

Villagio is a 200-unit apartment complex located on Missoula's Northside. The two-, three- and four-bedroom units will be priced so they are affordable to people making at or below 60% of Area Median Income (AMI). The project will include 24 units with project-based vouchers attached. Trinity is located on two separate parcels in Missoula. 72 apartment homes with 2, 3 and 4 bedrooms are at the Cooley location. 130 apartment homes with 1, 2, 3 and 4 bedrooms are at the Mullan location. Of those, 100 are homes for the workforce/families and 30 are permanent supportive homes. The Mullan location also features a navigation center that serves the greater community.

In addition to the Villagio and Trinity housing, NMCDC's Burlington Ave. home and the additional lots that have been put into a land trust will benefit the Franklin to the Fort neighborhood. All of the properties are centrally located, transit is available, and amenities are nearby.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

Missoula's investments leveraged a total of \$146,846 in additional funds during PY2022. Of this amount, \$40,500 came from private donation, and \$106,346 came from land donations.

HOME Match liability was calculated for FFY22 through the PR-33 at 12.5% for a total of \$48,601. Match of \$388,806 was contributed during FFY22 from the affordable housing Trinity project in the form of land donated by Missoula County for the construction of the Trinity Apartments. The project that began in 2021 is nearing completion. During PY2022 no publicly owned land or property located within the jurisdiction was used to address the needs identified in the plan.

Note: Match reported in FFY 2019 and 2020 was not aligned with the correct FFY. The 2019, 2020, and 2021 40107A forms have been corrected and are attached. Match that was reported in the 2022 CAPER is now showing below and on the attached 2022 40107A form.

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	5,423,387
2. Match contributed during current Federal fiscal year	388,806
3. Total match available for current Federal fiscal year (Line 1 plus Line 2)	5,812,193
4. Match liability for current Federal fiscal year	48,601
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	5,763,592

Table 5 – Fiscal Year Summary - HOME Match Report

Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Foregone Taxes, Fees, Charges	Appraised Land/Real Property	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match
471-1	10/19/2021	0	0	142,499	0	0	0	142,499
471-2	10/19/2021	0	0	191,490	0	0	0	191,490
490	08/16/2022	0	0	54,818	0	0	0	54,818

Table 6 – Match Contribution for the Federal Fiscal Year

HOME MBE/WBE report

Program Income – Enter the program amounts for the reporting period				
Balance on hand at beginning of reporting period \$	Amount received during reporting period \$	Total amount expended during reporting period \$	Amount expended for TBRA \$	Balance on hand at end of reporting period \$
485,146	44,327	226,682	0	302,791

Table 7 – Program Income

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	Minority Business Enterprises			White Non-Hispanic	
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	Hispanic
Contracts						
Dollar Amount	59,094,194	0	0	0	2,369,120	56,725,074
Number	23	0	0	0	1	22
Sub-Contracts						
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0
	Total	Women Business Enterprises	Male			
Contracts						
Dollar Amount	59,094,194	0	59,094,194			
Number	23	0	23			
Sub-Contracts						
Number	0	0	0			
Dollar Amount	0	0	0			

Table 8 - Minority Business and Women Business Enterprises

Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted					
	Total	Minority Property Owners			White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	
Number	0	0	0	0	0
Dollar Amount	0	0	0	0	0

Table 9 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition					
Parcels Acquired		1		0	
Businesses Displaced		0		0	
Nonprofit Organizations Displaced		0		0	
Households Temporarily Relocated, not Displaced		0		0	
Households Displaced	Total	Minority Property Enterprises			White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	
Number	17	0	1	0	16
Cost	0	0	0	0	0

Table 10 – Relocation and Real Property Acquisition

Our PY22 project, Housing Montana Heroes, anticipates displacing 17 households. While no one has been displaced yet, we have provided the racial characteristics for those who will be displaced.

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	17	0
Number of Non-Homeless households to be provided affordable housing units	1	1
Number of Special-Needs households to be provided affordable housing units	0	0
Total	18	1

Table 11 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	0	0
Number of households supported through The Production of New Units	0	0
Number of households supported through Rehab of Existing Units	8	8
Number of households supported through Acquisition of Existing Units	1	1
Total	9	9

Table 12 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

Number of Homeless households to be provided affordable housing units” One-Year Goal

The Poverello is working on moving the operation of Housing Montana Heroes, a transitional housing program for veterans, into a non-congregate setting with housing for at least 20 veterans. In our PY22 Action Plan, we reported that we would support 17 homeless veterans with the development of this public facility. During PY22, it was determined that the new facility can support 20 veterans. This project adds to the progress being made toward the 2019-2023 Consolidated Plan Goal #3 of adding 40 housing

units for individuals who are unhoused. No funds have been expended on this project to date. Also to note, we have far exceeded the Con Plan Goal #3 of assisting 2,552 with overnight shelter, 39 with emergency shelter, and 944 with public service activities.

The “Number of Non-Homeless households to be provided affordable housing units”

The Human Resource Council’s (HRC) owner-occupied rehabilitation program, originally funded in PY19, has faced challenges in finding qualified contractors to perform work due to low unemployment and a very busy construction market in Missoula, but during PY2022 they completed work on six homes, with two additional households more than halfway complete. HRC’s owner-occupied rehabilitation program has supported a total of 8 households; all of the households were income qualified and determined to be at or below 80% low mod income. Due to delays and lack of funding, this project fell short of the Con Plan Goal #2 of rehabilitating 12 homes.

In our PY22 Action Plan, we reported that with the acquisition of a single family home and potential development on the adjacent lots, we would support 1-3 households. At the end of PY22, we supported the purchase of that home and adjacent lots, supporting one moderate income renter.

The number of households supported through Acquisition of Existing Units is one for PY22. NMCDC’s Burlington project used funds to purchase one affordable home and place it in a community land trust. Three additional homes may be built on adjacent lots, providing an additional three households with affordable housing.

NOTE: The Trinity Apartments project, partially funded in PY20, is a collaboration among another non-profit developer, a private developer, and supportive service providers. It includes 202 units of homes people can afford on two separate sites. Also to note is the Villagio HOME development project, which will create 200 new units. Both projects are scheduled to be completed in 2023, and will exceed the Con Plan Goal #1 of constructing 264 rental units.

Discuss how these outcomes will impact future annual action plans.

Recognizing the need for more affordable housing in Missoula, on June 24, 2019, the city of Missoula passed a comprehensive housing policy that outlined specific strategies aimed at creating and preserving affordable housing. These strategies included creating a Low-Income Housing Tax Credit (LIHTC) support program, preserving expiring use projects, supporting the conversion of mobile home parks into resident owned communities, creating homeowner rehabilitation loan programs, and expanding our current homeowner assistance programs. The strategies also included a recommendation for increased support to partner organizations engaging in rental and homeowner education, eviction prevention work, and supportive services that help stabilize at risk populations in their housing. The outcomes of new units associated with the City’s CDBG and HOME funds support that Housing Policy, and vice versa. By combining CDBG and HOME funds with the Affordable Housing Trust Fund, the City of Missoula hopes to better leverage each funding source to continue to pursue the Con Plan goals.

Reflecting on PY22, it is crucial to recognize that every individual assisted experiences a tangible and meaningful improvement in their lives. The positive change is deeply significant to them.

However, as we move forward, we must also acknowledge the broader community's needs and strive for a balanced approach. The challenge lies in expanding the reach of our assistance to help as many people as possible, while still ensuring that the resources allocated generate the most substantial outcomes. It's not just about the quantity of aid provided, but about the quality of transformation it brings to individuals and the community at large.

By continuously assessing the effectiveness of our programs, we can ensure that the community's needs are met efficiently and sustainably. Balancing the significant impact on individual lives with the broader community's requirements will be key to making a lasting and positive difference for our community. By doing so, we honor the value of both the individual's journey and the collective progress we can achieve together.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	0	0
Low-income	3	0
Moderate-income	6	0
Total	9	0

Table 13 – Number of Households Served

Narrative Information

The projects funded in PY2022 that served extremely-low-, low-, and moderate-income persons are reflected in the table above. HRC’s rehabilitation work, as well as the Burlington acquisition supported 3 low-incomes and 6 moderate income households. While the PR23 CDBG report does not accurately capture our work this year, Table 13 does.

Households with worst case needs are defined as very low-income renters who do not receive government housing assistance and who paid more than one-half of their income for rent, lived in severely inadequate conditions, or both. According to the City of Missoula's Consolidated Plan (2019-2023), 20% of Missoulians spend more than 50% of their income on housing, or over 14,000 Missoulians. Also according to the Consolidated Plan, Missoulians at 0% to 30% AMI tend to have disproportionate

severe housing problems (lacking complete kitchen facilities, lacking complete plumbing facilities, more than 1.5 persons per room, or a cost burden when housing costs are greater than 50% of the household income). Each year, the City of Missoula, which faces a lack of affordable housing stock, works to bring new units to the Missoula housing market through the deployment of HUD funds, and the newly established Affordable Housing Trust Fund. The City also supports the existing network of service providers dedicated to serving those with worst case needs and with disabilities. This is reflected in the discussion above related to PY2022 goals and outcomes, which encompass these populations.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

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

In 2022, the City reached out to persons who are unhoused through previous grant-funded programs and activities: the Human Resource Council provided support for Rapid Re-Housing, rental assistance, and emergency shelter through their Emergency Solutions Grant funds; and the YWCA of Missoula's Meadowlark, provided a comprehensive array of services to unhoused families and families at-risk of homelessness in one location. The new Meadowlark facility has replaced the need for motel vouchers and provides critical support and shelter in a single location.

Several programs in Missoula specialize in reaching out to persons who are unhoused, assessing their individual needs and providing a wide-range of unduplicated services. As part of our Coordinated Entry System implementation, Missoula operates a Community Outreach Team comprised of staff from the 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, Missoula Police Department's Downtown Business Improvement District Officers, staff from the Youth Homelessness Demonstration Program (YHDP) at Human Resource Council, and Hope Rescue Mission. The group assesses needs and identifies access barriers for people experiencing chronic homelessness and households that need to be met "where they are at" – literally and circumstantially. This team serves as a Coordinated Entry Service Access Point, providing basic need survival items, like food, tents and clothing items. They 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.

The City also continues to receive support from Montana Healthcare Foundation (MHCF) for the FUSE Program, Frequent Users of Systems Engagement. The funds from MHCF are provided to the City and then dispersed to Partnership Health Center, which oversees implementation of the program. FUSE provides targeted support to our community members who are most frequently using crisis services (i.e. shelters, jail, hospitals). This targeted support offers these individuals Permanent Supportive Housing and a level of stability not previously known, ultimately freeing up those crisis services for better utilization by the larger Missoula community.

PY22 CDBG funds have been committed to a project to support the construction of 20 transitional housing units for veterans, but no funds have been drawn to-date.

Addressing the emergency shelter and transitional housing needs of homeless persons

The Poverello Center, the recipient of several City CDBG funds for programs throughout the years, serves as Missoula's primary emergency shelter for homeless individuals who are not acutely intoxicated. The Poverello offers 115 individual beds, and has 40 overflow beds. In November of 2019, the Poverello began operating an overflow Emergency Winter Shelter in partnership with Salvation Army, which provided the physical shelter space. In November of 2020, the City stepped in to support the Emergency Winter Shelter program in partnership with the County with funding assistance from Human Resource Council. The Poverello Center contracts as the operator of the Emergency Winter Shelter Program in order to reduce the number of adults sleeping in places not meant for human habitation in Missoula. With the addition of the Emergency Winter Shelter, the Poverello returned to a "zero drug/alcohol policy," while the Winter Shelter operated under a more lenient policy based on one's ability to be safe, kind and respectful during this period of time. The new location was open for 5 months during the winters of 2020, 2021, and 2022.

PY22 CDBG funds have been committed to a project to support the construction of 20 transitional housing units for veterans, but no funds have been drawn to-date.

The, YWCA Meadowlark facility, funded in part with City CDBG funds in previous years and in PY2021, opened in spring of 2021. This new facility includes an expanded YWCA Pathways Domestic Violence Shelter with 13 rooms for individuals and families fleeing domestic violence. The Meadowlark also includes a new Family Housing Center (FHC) for homeless families, jointly operated by YWCA and Family Promise: a program of the Missoula Interfaith Collaborative. Details of this program have been provided in previous CAPERs.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after 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); and, 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. A committee comprised of ARHC members from three agencies screens applications for Winter Shelter funds and selects recipients.

Since being selected to participate in the Youth Homelessness Demonstration Project in fall 2019, the Human Resource Council applied for and was granted participation in the program. HRC has one full time and one part time staff dedicated to working on the Youth Homelessness Demonstration Program. These staff are part of the Missoula Coordinated Entry system and participate in the Coordinate Outreach Team. The intention of their work is to address and reduce homelessness among LGBTQIA+, justice involved youth, youth of color, foster youth and victims of sex trafficking and exploitation. Their work follows the HUD Key Principles: Equity, Positive Youth Development and Trauma Informed Care, Family Engagement, Immediate Access to Housing with No Preconditions, Youth Choice, Individualized and Client-Drive Supports and Social and Community Integration. 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. The screening tool assists in determining a defendant's immediate needs. An Individualized Reentry Plan (IRP) is created for each participant based upon information provided during the initial interview. Staff work collaboratively with community-based providers to transition a defendant from detention to community-based services that meet participant treatment needs/goals. The IRP serves as a multidisciplinary plan setting realistic short- and long-term goals for addressing participant needs while housed in the community pending court proceedings. Needs may include but are not limited to: Housing, Medication management, Substance abuse, Health benefits, and Mental health services.

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 homelessness 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 rehousing (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, a utility security deposit, rental application fees, utility payments, utility arrears up to six months, and arrears from a prior rental. The ESG RRH program targets individuals who meet the literally

homeless definition and receives direct referrals from Missoula's Coordinated Entry System. Missoula also established a Centralized Housing Solutions Fund in March 2020. This is a flexible assistance fund intended to divert families from needing to access houseless resources through strengths-based problem solving and gap funding.

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.

Missoula's Poverello Center is currently working on moving the operation of Housing Montana Heroes, a transitional housing program for veterans, into a non-congregate setting with housing for at least 20 veterans. The project is being funded in part with American Rescue Plan Act funds, and with city and county funds. The Poverello Center provided shelter, medical respite care, or transitional housing for 133 unduplicated Veterans in 2021. Of those 133 veterans, 14 were enrolled in the Veteran Shelter Program and 31 were enrolled in Housing Montana Heroes (20-bed capacity). From there, 7% enrolled at Valor House, another transitional housing program with individual apartments for Veterans. 12% left for a higher level of care such as PTSD and/or substance abuse treatment, rehabilitation, or hospitalization.

In previous years, the Housing Montana Heroes Program transitioned 60% of individuals to permanent housing. The number of participants enrolled, as well as the number of successful transitions to permanent housing, are lower in 2021 due to the impacts of the pandemic. In fact, 16% of participants left the program in 2021 due to safety concerns associated with COVID-19 in a congregate setting. We expect occupancy to increase once the program transitions to a non-congregate setting, and have supported this project with PY22 funds. No funds have been drawn to date.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

The City of Missoula Community Development division (CD) participated in meetings with the Missoula Housing Authority (MHA) to discuss their needs going forward in PY2022 and continues to be in close contact with MHA to provide support as needed.

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, 32 HUD VASH vouchers for Veterans, 13 Foster Youth Initiative vouchers for at risk youth aging out of foster care, and 16 Emergency Housing Vouchers for homeless or at risk families.

Missoula Housing Authority completed a 12-unit apartment complex that will house chronically homeless individuals in the community who are frequent utilizers of services. Also scheduled for 2022-2023 is the development of a new 200-unit affordable housing complex called Villagio, which will include 32 units with project-based vouchers, allowing the project to reach down to lower income levels than would be possible without the vouchers. Another exciting project in the construction phase is Trinity Apartments. This project is a collaboration among another non-profit developer, a private developer, and supportive service providers. It includes 202 units of homes people can afford on two separate sites. Thirty permanent supportive housing vouchers will be placed in one of the sites, along with a navigation center to provide supportive services for the residents and others in the community. 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.

Actions taken 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. MHA has had for many years 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 FSS (Family Self-Sufficiency) Coordinators. A key component of the

FSS program are the escrow accounts made available to families, many of whom utilize these funds for homeownership.

Actions taken to provide assistance to troubled PHAs

The Missoula Housing Authority is a high-performing agency.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken 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. 91.220 (j); 91.320 (i)

Most of the barriers to affordable housing identified in Missoula's 2019-2023 Consolidated Plan are due to regulatory restrictions, a lack of funding sources and available land, and a lack of partnership and community cohesion around development of affordable housing. Perhaps the single largest and most important strategy to remove these barriers is the City of Missoula's Housing Policy. This policy was developed over a two-year period through a community-driven process involving hundreds of Missoulians volunteering their time to help write the policy. It aims to create a cohesive policy and program approach in the city to minimize barriers and provide financial incentives where possible to promote the production and preservation of diverse, healthy, and safe homes for Missoulians. The policy includes working closely with several affordable housing development partners whose mission-driven approach provides opportunities to increase affordable housing in the City. It also includes recommendations for code changes to reduce regulatory barriers and the creation of a flexible, local funding source to support the construction of affordable housing.

Since the plan's adoption, Community Development has worked on elements of the housing policy recommendations, including introducing trust fund dollars into the funding cycle with CDBG/HOME funds, developing the Affordable Housing Incentives Program, and developing a capitalization campaign.

In addition, the Our Missoula Growth Policy was adopted in 2015 and provides important strategies to remove barriers to affordable housing and works closely with the Housing Policy. The fundamental concept of the policy is to "focus inward" where infrastructure already exists and avoid sprawl by growing more compactly, for example by increasing "the amount of land zoned for multi-dwelling development." Objectives in the Growth Policy to address barriers to affordable housing 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. The Growth Policy also recommends engaging community leaders and community groups to build support for multi-family and affordable housing developments.

In 2021, a state-mandated 5-year review was completed on the Growth Policy, which determined that updates to the policy were warranted, especially in relation to addressing a means towards more equitable growth in the region, as well as ways to more effectively implement the policy, including elements related to housing. Updates to the Growth Policy are being coordinated with a comprehensive code reform initiative, which looks to implement recent city policies, such as the Housing Policy, as well

as syncing and streamlining the development review process and removing regulatory barriers as a means of facilitating increased housing development.

Recommended in the 2019 housing policy “A Place to Call Home,” Missoula’s Affordable Housing Trust Fund was established in July 2020. Its purpose as Missoula’s only local funding source for affordable homes is to provide 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.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

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.

The City has combined the application for projects into a Unified Application cycle that includes HOME, CDBG, and our 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.

In PY22 CD and its partners took several actions to address the obstacles to creating more housing that is affordable for Missoulians:

- CD continued to support the project team led by the Missoula Housing Authority as they worked on the Villagio rental housing project, which will provide 200 rental homes. Construction began spring 2021 and is leasing up in 2023.
- Trinity Apartments also broke ground spring 2021 and is leasing up in 2023. A collaboration among non-profit developers, a private developer, and supportive services, Trinity will include 202 rental homes on two separate sites with a navigation center to provide supportive services for residents and others in the community
- The North Missoula Community Development Council placed a single-family home into a community land trust model, ensuring its permanent affordability and avoiding displacement of its current tenant. The rear lots of the purchase will be considered for future development of two additional permanently

affordable houses.

- The Human Resource Council continued their owner-occupied rehabilitation program to provide loans to low-income homeowners. They made progress in building relationships with local contractors who are able to perform the small-scale rehab work required.
- The Affordable Housing Trust Fund was established by ordinance in July 2020. The fund supports the construction and preservation of affordable homes in Missoula, and has been able to support several projects ineligible for federal funds.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

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.

In addition, 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. The CDBG Burlington project presumed lead based paint and is working with a contractor and clearance examiner to stabilize a small portion of deteriorated paint on the exterior of the home.

The Villagio and Trinity will soon provide 402 affordable rental homes without any lead-based paint hazards.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

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 two goals of this plan, Rental Housing and Homeownership, are intended to bolster and support the City Housing Policy as well as "Reaching Home: Missoula's 10-Year Plan to End Homelessness" by providing intentionality and resources to meet the goals contained in those plans and policies. These goals also support and speak to Our Missoula Growth Policy and the Our

Development Guide, both of which aim to help Missoula meet its housing needs through smart, sustainable growth. Goal 3 of this plan, Homelessness, speaks directly to building capacity and supporting the 10-Year Plan to End Homelessness and the At-Risk Housing Coalition in Missoula.

The City of Missoula's Housing Policy, passed in June 2019 is focused on creating more affordable home options for Missoulians. In PY2022, CD continued its work to reduce the number of poverty-level families by making progress in the realm of affordable housing, which can create stability and remove financial strains on poverty-level Missoulians.

While CDBG-HOME construction projects did not result in the creation of new jobs or contracts for Section 3 business concerns or residents, the City of Missoula did take steps to encourage participation by Section 3 residents including posting legal advertisements in the Missoulian.

A key to Missoula's strategy to reduce the number of poverty-level families is to increase job opportunities for low-income persons. While the City did not support any economic development initiatives with CDBG or HOME in PY 2022, the City does support the Missoula Economic Partnership (MEP), which works collaboratively and strategically to facilitate increased prosperity through business development while enhancing the business environment and quality of life in our community. MEP works with business owners on plans for their growth and job creation and assists them in applying for Big Sky Economic Development Trust Fund grants, which provide expansion grant funds tied to job creation.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

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.

In PY2022, CPDI continued to operate in close partnership with other City departments, including the Missoula Redevelopment Agency, the Mayor's Office, and Development Services. The collaborations further develop institutional structure by increasing the expertise and resource of our department. Internally, our department continues to develop expertise by attending relevant trainings and professional development opportunities. In PY2022 our staff members attended the following training

opportunities: HUD online training webinars, Statewide Housing and Healthcare Summit, Brownfields National Conference, Continuum of Care Professional Leadership Curriculum, and Crisis Intervention Training (CIT) International.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

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 HOME and CDBG (now the 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.

During the fall of 2022, CD, in collaboration with Missoula County, conducted an online survey and a community meeting to gather feedback from the community about major challenges and priorities in the realm of housing, public infrastructure, and economic development. 617 individuals responded to the survey, which was available online, noticed in the newspaper, and distributed via CD and Missoula

County email lists. A public hearing was conducted on November 15, 2022, to solicit additional feedback and present the preliminary findings. The hybrid meeting was held both in person and online to ensure anyone could attend. Early 2023, the City held a Unified Application Workshop which included CDBG, HOME, HOME-ARP, and AHTF. Application guidelines were distributed and funding approximations for PY2023 were discussed

In addition, CPDI and partnering agencies from across the community have begun to meet monthly to discuss projects, updates, and concerns on various aspects of housing, homelessness, health, and economic development. The meeting creates a space for communication, collaboration, and education.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The AI had been a statewide effort in Montana shared between entitlement communities (Billings, Great Falls, and Missoula), the state of Montana (Montana Department of Commerce, MDOC) and disseminated by HUD. The AI looks at data, goals, and needs of the participating entitlement communities in the context of fair housing to identify and analyze impediments to fair housing for community members and to reduce those obstacles. An updated Analysis of Impediments has been scheduled to begin in conjunction with the City of Missoula's 2024-2029 Consolidated Plan.

In 2018, a gap analysis was performed in conjunction with the city's housing policy and showed the following impediments to fair housing choice: the regulatory environment, housing development, banking and lending, program development and funding. The report can be found at the following address: <https://www.ci.missoula.mt.us>

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

Each year, the Community Development division (CD) develops a monitoring plan for both CDBG and HOME. Monitoring will take various forms ranging from desk reviews to on-site monitoring visits. CD utilizes a risk analysis tool in order to identify those CDBG subrecipients that may require more in-depth and on-site monitoring. CD staff utilizes Chapter 5 of the Managing CDBG guidebook as guidance for CDBG monitoring as well as the CPD Monitoring Handbook.

In accordance with HOME guidance found in Monitoring HOME, CD utilizes the following on-site monitoring schedule for HOME-assisted activities:

For any activity administered by a subrecipient, while contract is in effect:

- Tenant-based rental activity: Annually
- Project development activities during all phases of the project through to occupancy and project completion; provided that development has begun: At least annually, but may occur more frequently
- Post completion, for rental projects with 1-4 total units in the project: Every 3 years until period of affordability expires
- Post completion, for rental projects with 5-25 total units in the project: Every 2 years until period of affordability expires
- Post- completion, for rental projects with 26 or more total units in the project: Annually until period of affordability expires

CD utilizes the Monitoring HOME guidebook as well as the CPD Monitoring Handbook as guidance for monitoring. For both CDBG and HOME on-site monitoring, CD issues a written report to the Subrecipient and allows them an opportunity to respond to any of the observations, findings, or deficiencies. With respect to minority and women-owned business outreach, Section 3, labor standards, and other federal requirements tied to construction projects, CD staff conducts pre-construction meetings with CDBG-HOME subrecipients to ensure that they are familiar with all requirements and have the required documents and forms to include in bid and construction documents. Throughout the year, CD staff are reviewing draw requests, demographic reports, and narrative and financial reports to review CDBG and HOME-funded projects for compliance with all applicable federal regulations. If CD identifies any issues as part of this review, staff promptly notifies the Subrecipient to discuss the issue and identify any necessary corrective actions.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

In preparing the Consolidated Annual Performance and Evaluation Report (CAPER), the City contacted and informed all organizations located in or working in Missoula that fit the following descriptions: public and private agencies that provide housing, health, and social services including those that provide services to children, the elderly, persons with disabilities, persons living with HIV/AIDS, people with substance and chemical abuse issues, victims of domestic violence, and persons who are homeless; State and local health and child welfare agencies (regarding lead-based paint); units of local government including City and County planning agencies; appropriate offices of state government; local neighborhood and citizen groups; and the Missoula Housing Authority and residents of public and subsidized housing.

Additionally, CD initiated the following actions: took steps to encourage participation by low- and moderate-income persons, particularly those living in areas where CDBG or HOME funds are proposed to be used; and took steps to encourage the participation of all of its citizens including minorities and non-English speaking persons, and persons with disabilities. These actions were conveyed in the public legal notice printed in the regional newspaper and distributed to the above organizations or interest lists, and particularly offered assistance to persons who were non-English speaking, or needed accommodations for disabilities.

Per the actions taken in outreach efforts above, members of the public were asked to review and comment on the draft Annual Performance Report. The City provided public notice to include a brief summary of the uses of funds included in the Performance Report and accepted written public comment as described in Standards for Public Notice above. Additional avenues of outreach are always being sought, and include the use of social media and infographics to present the information in a more easily understandable way.

Comments were also taken through our online engagement portal, www.EngageMissoula.com. A summary of written comments received is included in the final version of the Performance Report. In the City's advertisements for the CAPER, it is offered to provide the CAPER in alternative formats (e.g. large print) and the use of the 711 Montana Relay service.

Persons with disabilities are invited to request assistance in order to participate in meetings or access to programs. CD posts all items on the City's website and on the online engagement portal, EngageMissoula.

In PY22, the City of Missoula began its Equity Plan to report on fair housing in conjunction with its new

Consolidated Plan, set for publication in PY24. Data and goals from that report will be incorporated into the 2024-2029 Con Plan and future Action Plans, and results noted in the associated CAPERs.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction’s program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

PY2022 is the fourth year of the City of Missoula’s 2019-2023 Consolidated Plan. The City intentionally narrowed the focus of this Consolidated Plan cycle to concentrate on four goals. These goals are a reflection of community feedback that the most pressing challenge in Missoula now and anticipated in the next five years is affordable housing. In that vein, the Con Plan outlines Rental Housing, Homeownership, Homelessness, and ensuring alignment with the City’s community planning and housing policies as our primary goals.

In PY2022, we funded three CDBG projects to help meet those goals. One project secured a property that includes a existing home and room for 3 future homes that ensure permanent affordability through a land trust. In another project funds are being used to provide transitional housing for 20 unhoused veterans through the Housing Montana Heroes project.. A third project was to cover CDBG administrative costs.

As of the end of PY2022, these more narrow goals are worked well for the City. However, as we plan for our 2024-2028 Consolidated Plan we may find that Public Service projects may help distribute CDBG funding and maintain timeliness requirements.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

CR-50 - HOME 24 CFR 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in 24 CFR §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

In PY2022, the City of Missoula Community Development division (CD) assessed the need for monitoring projects using HUD guidance. A desk review was chosen for five HOME Rental Projects: MHA Garden District, Homeword Sweetgrass Commons, Homeword Solstice, Homeword Equinox, and Homeword 1805 Phillips Street. These projects are monitored annually.

The desk and on-site reveals ensured tenants were correctly screened, income-qualified and all relevant documentation was in order, including tenant selection plans, the lease, rent schedules, and utility allowances for Section 8 clients. On the financial end, project budgets and cash flow statements were also collected and reviewed showing most of these properties to have healthy operations and organized asset management. These properties are funded through Low Income Housing Tax Credits (LIHTC) and receive annual monitoring by the State for both LIHTC and HOME as well as investor monitoring for LIHTC.

Onsite monitoring was conducted for both the Villagio and Trinity project. An onsite file audit and walkthrough was conducted on the Trinity project. Final inspections will be completed when all work is completed and all contract documentation has been received.

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 24 CFR 91.520(e) and 24 CFR 92.351(a)

The City of Missoula provides information and otherwise works to attract persons from all racial, ethnic and gender groups in the housing market to housing that is assisted with HOME program funding. The City places public notices in the local newspaper, utilizes an email tree and sends mailings to interested parties, advising of the availability of various programs to be undertaken. All written notices to owners and tenants contain either the Equal Housing Opportunity logo, statement or slogan:

- Equal Housing Opportunity Statement: We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status, or national origin.
- Equal Housing Opportunity Slogan: Equal Housing Opportunity. Participants in the HOME (and CDBG) programs are required to use affirmative fair marketing practices to inform potential owners and tenants, as well as the public, about federal fair housing laws. All HOME or CDBG-assisted housing

providers must include the Equal Housing Opportunity logo, statement, or slogan in its written materials; solicit participants from various racial, ethnic or gender groups; maintain records of their affirmative marketing efforts; and maintain records of all tenants that must be provided for program monitoring.

Additional text: affirmative marketing

Missoula uses the media, direct mailings, and email to contact the widest range possible of firms that will do business with the City, and makes a special point to seek proposals from minority and women's business enterprises. City contracts include provisions requiring contractors to seek subcontractors from minority and women businesses and setting goals for the percentage of MBE/WBE contractors involved with a project funded by CDBG or HOME. In PY2020, Homeward broke ground on the Trinity apartments project, which will provide 202 affordable rentals for Missoula. Once under construction, Homeward's development projects use an Affirmative Fair Housing Marketing Plan created by Homeward and/or third-party property managers to ensure the information reaches the targeted groups. The availability of homes is advertised with on-site signage, flyers posted at and distributed to service providers, large employers such as St. Patrick's and Community Hospitals, and community bulletin boards. Alternate language versions of the flyers may be created to reach populations for whom English is a second language. Social media posts and internet ads also spread the word. In addition, Homeward has an extensive marketing strategy with a limited marketing budget that it leverages for maximum capacity including quarterly newsletters, advertisements on the interior of Mountain Lines buses, Montana Public Radio, partnering with MFCU for Trail Radio spots, housing related publications like the Homesteader, and Facebook Ads. Homeward maintains an active presence on social media, updates its website with current events and hosts several events throughout the year where the public is invited to learn more about Homeward. Homeward staff attends various stakeholder groups throughout the year to share about their services and programs to maintain and raise awareness of Homeward's projects and services among community service partners and businesses. One such stakeholder group is the Community Management Team organized by the Missoula Job Service and the National Association of Residential Property Managers.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

The City of Missoula began PY2022 with a HOME program income balance of \$485,146 and added \$44,327 over the course of the program year. Of the total PI, \$226,682 was expended in PY2022 for HOME funds. The City of Missoula also received \$317,414 in HP or homebuyer recaptured funds during PY22; Table 7 shows the combined amount of PI and HP for PY2022.

The remaining HP and PI amount on hand is committed to the Villagio project, which will create 200 affordable rental units for low-income Missoulians. The City of Missoula has supported this project through an award of \$1,095,000 in HOME funds, including entitlement funds and program income and homebuyer recaptured funds. This is a major LIHTC construction project, which broke ground in Spring

2021 and is set to open in 2023.

Describe other actions taken to foster and maintain affordable housing. 24 CFR 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 24 CFR 91.320(j)

On June 24, 2019, the City of Missoula passed a comprehensive housing policy that outlined specific strategies aimed at creating and preserving affordable housing. These strategies included creating a Low-Income Housing Tax Credits (LIHTC) support program, preserving expiring use projects, supporting the conversion of mobile home parks into resident owned communities, creating homeowner rehabilitation loan programs, and expanding our current homeowner assistance programs. They also included a recommendation for increased support to partner organizations engaging in rental and homeowner education, eviction prevention work, and supportive services that help stabilize at risk populations in their housing. The Affordable Housing Trust Fund was established by ordinance in July 2020. The trust fund mechanism plays a role in nearly all the program development activities of the adopted housing policy and enables the City to secure and reinvest community contributions to housing, as well as capture the value created by land use incentives and other City-driven programs that produce below-market housing.

CR-58 – Section 3

Identify the number of individuals assisted and the types of assistance provided

Total Labor Hours	CDBG	HOME	ESG	HOPWA	HTF
Total Number of Activities	0	2	0	0	0
Total Labor Hours		0			
Total Section 3 Worker Hours		0			
Total Targeted Section 3 Worker Hours		0			

Table 14 – Total Labor Hours

Qualitative Efforts - Number of Activities by Program	CDBG	HOME	ESG	HOPWA	HTF
Outreach efforts to generate job applicants who are Public Housing Targeted Workers		1			
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.		1			
Direct, on-the job training (including apprenticeships).					
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.					
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).					
Outreach efforts to identify and secure bids from Section 3 business concerns.		1			
Technical assistance to help Section 3 business concerns understand and bid on contracts.					
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.					
Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.					
Held one or more job fairs.					
Provided or connected residents with supportive services that can provide direct services or referrals.					
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.					
Assisted residents with finding child care.					
Assisted residents to apply for, or attend community college or a four year educational institution.					
Assisted residents to apply for, or attend vocational/technical training.					
Assisted residents to obtain financial literacy training and/or coaching.					
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.		1			
Provided or connected residents with training on computer use or online technologies.					
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.		1			
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.		1			

Other.						
--------	--	--	--	--	--	--

Table 15 – Qualitative Efforts - Number of Activities by Program

Narrative

Contractor attempted to recruit Section 3 individuals and/or buisnesses via advertising during the intial bidding of the project via the MT DOT MBE/WBE/SBE database, along with communication with/via community contacts for workers, that have Section 3 clients (ie. Homeword, MHA, Opportunity Resource, etc.). In addition, project site staff have been discussing potential opportunities and timing thereof within the project of when hiring will be necessary with individuals and local companies near and who visit the project sites. As the project progresses and additional hiring is necessary, opportunities will be posted on HUD.Gov’s Section 3 portal for additional outreach efforts, although it is suspected and experience shows that most hires for a construction project are for skilled labor and is rare that these individuals can or would be considered Section 3 qualified, given their skill set and job history. The primary GC and all major subs have received documentation of definitions and resources for outreach to Section 3 businesses and inviduals, along with this topic being discussed at length during the preconstruction meeting. Additional reminders have been mentioned throughout the meetings, as the project progresses.

NOTE: The Villagio and Trinity projects fall within the time period in which the Section 3 data in IDIS is not accessible. The City has retained documentation that demonstrates compliance with the final rule in the project files. The HOME Section 3 data reported above was gathered through HOME quarterly reporting. No PY22 CDBG projects were applicable to Section 3.