

CITY OF MISSOULA

HOME-ARP Allocation Plan



PROGRAM
YEAR 2021



Community Planning,
Development, &
Innovation
435 Ryman St
Missoula, MT 59802
(406) 552-6630

2021 HOME-ARP Allocation Plan

This report represents the first draft of the City of Missoula’s HOME-ARP Allocation Plan. When a project is chosen for funding, the City will update the Plan with details.

Consultation

A community partner survey was conducted at the start of the HOME-ARP planning process. Community partners from Missoula’s Continuum of Care, known as At-Risk Housing Coalition (ARHC) and the COVID-19 incident management team, Community Organizations Active in Disaster (COAD) were invited to participate in the survey, which was conducted from December 20, 2021 – January 14, 2022. A total of 12 organizations responded to the survey. In addition, the City conducted a survey to solicit input from the public on the best use of HOME-ARP funds. The survey was promoted on social media, on our public engagement site EngageMissoula.com, and it was cross-promoted at two meetings that focused on housing displacement.

The City held a public hearing on May 23, 2022, during the City Council meeting. Anyone wishing to comment on the best use of HOME-ARP funds was invited to do so. The City made the draft HOME-ARP Plan available to the public for a 30-day comment period, from May 1, 2022 to June 5, 2022 . All comments received during the public hearing and comment period are included as an attachment to this report; no comments were rejected. Additionally, the City consulted via email and Zoom meetings with various partners in an effort to clarify and solicit additional information and needs.

List of organizations consulted, and summary of feedback received

Agency/Org Consulted	Type of Agency/Org	Method of Consultation	Feedback
At Risk Housing Coalition (ARHC)	CoC serving the jurisdiction’s area	Survey, Email & two meetings	Overall support and interest, distribution of survey link and staff contact information
Projects for Assistance in Transition from Homelessness (PATH) Program	Homeless support Provider	Survey & Email	Identified a need for supportive services and the development of affordable housing as top priorities.
Hope Rescue Mission	Homeless support Provider	Survey & Email	Identified a need for the development of affordable housing and transitional housing, increased supportive services as top priorities.
Partnership Health Center	Service Provider that addresses the needs of qualifying populations	Survey & Email	Identified a need the development of affordable housing,

			supportive service funding, and increased case management or out-of-the box solutions as top priorities.
Missoula Housing Authority	Public Housing Agency	Survey & In-person	Identified a need for supportive services and provided data on vouchers, waitlists, and gaps in services. Suggested that barriers for vouchers are too high.
Montana Board of Housing	Public Housing Agency	Email & in-person	Consult on State's approach to HOME ARP Allocation Plan
Missoula County	Public Agency that addresses the needs of qualifying populations	Survey & Email	Identified a need for the development of affordable housing as a top priority. Provided data in the form of a previous report.
Veteran's Administration	Public Agency that addresses the needs of qualifying populations	Survey & Email	Identified a need for the development of affordable housing and deposit assistance as top priorities. Provided data on HUD/VASH vouchers.
Reaching Home, City of Missoula	Public Agency that addresses the needs of qualifying populations	Survey & Email	Identified a need for transitional housing, the development of affordable housing, and funds for resident-initiated financial housing support. Provided data on gaps and needs.
Missoula Aging Services	Service Provider that addresses the needs of qualifying populations	Survey & Email	Identified a need for the development of a non-congregate shelter; identified a gap in support of older adults due to long waitlists.

Homeword, Inc.	Housing Developer & Counseling Agency that addresses the needs of qualifying populations	Survey & Email	Identified a need for supportive services and the development of affordable housing as top priorities. Suggested the need for additional SROs to accommodate more people. Provided waitlist data for their affordable housing units.
Summit Independent Living	Service Provider that addresses the needs of people with disabilities	Survey & Email	No direct response received
Family Promise	Homeless support provider	Survey & Email	Identified a need for the development of affordable housing and transitional housing as top priorities. Suggested extended motel vouchers as an option.
Missoula Interfaith Collective	Homeless support provider	Survey & Email	Identified the need for homeless diversion and prevention, along with TBRA as top priorities.
YWCA	Domestic violence and homeless support service provider	Survey & Email	Identified a need for transitional housing, the development of affordable housing, and funds for supportive services. Provided data on gaps and needs.

Public Participation

Describe the public participation process, including information about and the dates of the public comment period and public hearing(s) held during the development of the plan.

The City of Missoula conducted a survey to solicit input from the public on the best use of HOME-ARP funds. The survey was promoted on social media, on our public engagement site EngageMissoula.com, and it was cross-promoted at two meetings that focused on housing displacement.

The survey and its accompanying explanation of the funds was posted on February 7, 2022, and kept open until March 8, 2022. The website statistics reported that the page made 80 people aware of the information, informed 43 people, and engaged 17 people to complete the survey.

In addition, the City held a public hearing on May 23, 2022, during the City Council meeting. Anyone wishing to comment on the best use of HOME-ARP funds was invited to do so. The City made the draft HOME-ARP Plan available to the public for a 30-day comment period, from May 1, 2022 to June 5, 2022. A legal ad in the Missoulian, Missoula's local newspaper, provided information on how citizens could request the plan in an alternative format and how to request special accommodations and translation services to participate in the public hearing. The legal ad was posted in English and Spanish. All comments received during the public hearing and comment period are included as an attachment to this report; no comments were rejected. Additionally, the City consulted via email and Zoom meetings with various partners in an effort to clarify and solicit information and needs.

Describe any efforts to broaden public participation

In addition to standard legal notice placements in the Missoulian, the city utilized the City of Missoula's official web page as well as EngageMissoula.com to help broaden the participation process. The survey was promoted on social media and was cross-promoted at two meetings that focused on housing displacement.

Partners were asked to share information with their networks about how to participate in the survey and attend meetings.

Summarize any comments or recommendations not accepted and state the reasons why

All comments are included, and no comments were rejected. Comments are attached.

Needs Assessment and Gap Analysis

Multiple data sources were used to complete the needs assessment and gap analysis sections of this plan. It should be noted that while the City of Missoula did their best to collect updated information, some of the data may not reveal the true nature of the crisis due to the rapid change in population, quickly rising housing costs, and dropping vacancy rates that have occurred since 2020.

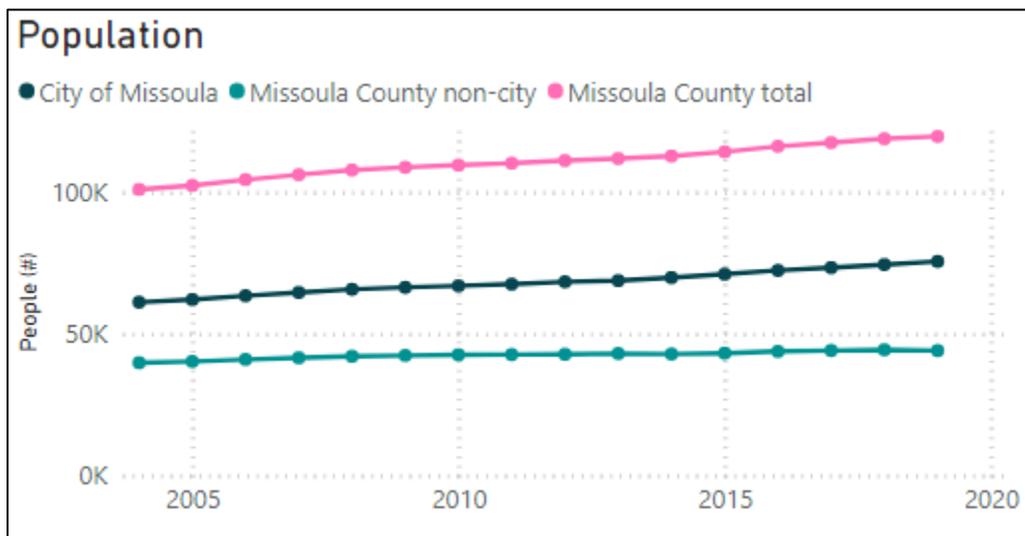
The sources used for this report include the 2020 Decennial Census; American Community Survey (ACS) 2019 5-year Estimates; Comprehensive Housing Affordability Strategy (CHAS) data sets from 2014- 2018; the 2020 Point-in-Time Count for homeless individuals; the local Continuum of Care's Housing Inventory Count (HIC); reports from our local Housing Trust Fund, Missoula Organization of Realtors, Bureau of Business and Economic Research at the University of Montana; and direct consultation with community partners and stakeholders.

Housing Needs Assessment

The City of Missoula’s population has been growing steadily since 2015. Between 2015 and 2020, it has experienced a 6.5% increase in population.

City of Missoula Demographics			
Demographics	2015	2019 (most recent year)	% Change
Population	69,190	73,710	6.5%
Households	29,860	32,313	8.2%
Median Income	\$46,624	\$62,843	35%

Data Source: Census Bureau, ACS 2019, 2015, 5-Year Estimates



Source: Missoula Organization of Realtors

According to Missoula County’s housing report, Breaking Ground, between 2015 and 2019, Missoula County has underbuilt approximately 2,400 housing units. Combine that with:

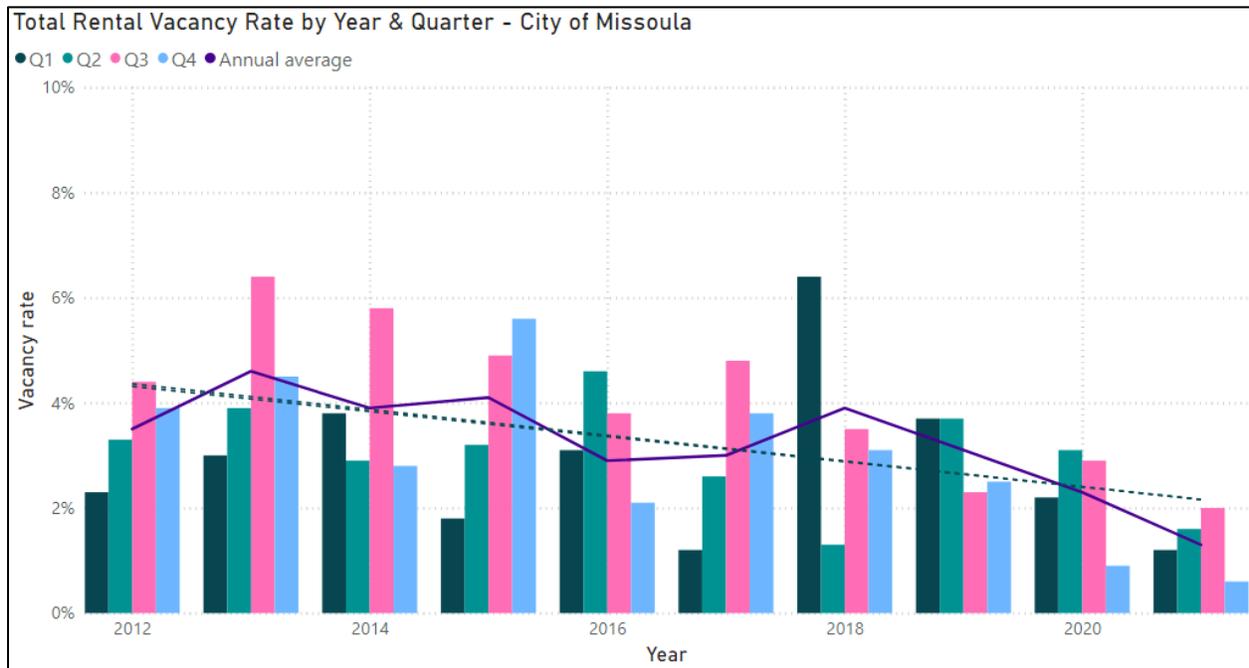
- a 109% increase in median home prices in the last 11 years,
- rising construction costs,
- the continued stresses of the COVID-19 pandemic,

and Missoula’s housing needs quickly become apparent.

Missoula County		National Trends
55.5 K	Number of housing units	139 M
50.8 K	Number of households	122 M
1.09	Ratio of housing units to households	1.14

Source: American Community Survey 5-year Estimates

These pressures put an additional strain on a rental market that has had a steadily declining rental vacancy rate for the last 2 years. A healthy rental market has vacancy rates between 5-8%.



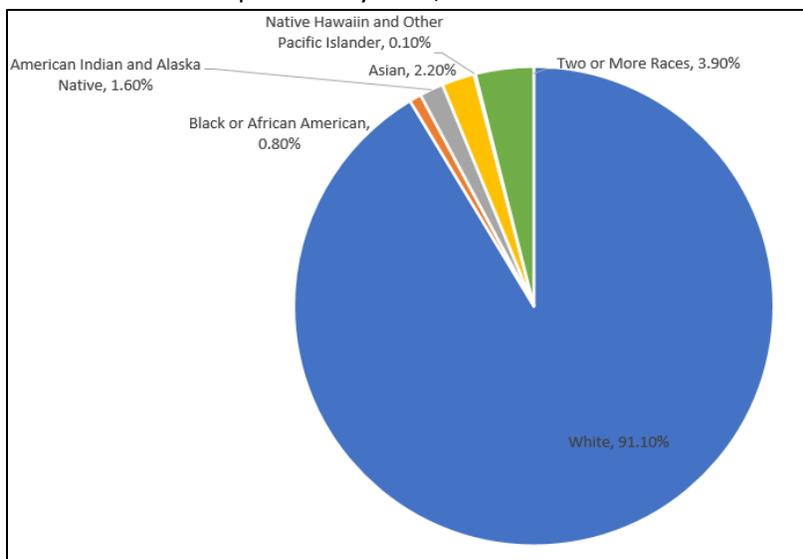
Source: Missoula Organization of Realtors

In the last quarter of 2021, the vacancy rate was 0.6%. Renters who are typically able to “move up” to better rental properties are unable due to the tight market, which leads to low or stagnant turnover rates.

Size and Demographic Composition of Qualifying Populations

Missoula is a majority (91%) white community.

Population by Race, Missoula



Source: Census Bureau, 2019

Sheltered and unsheltered homeless populations

According to the most up-to-date Point in Time data, in 2020 there were 468 individuals experiencing homelessness in Missoula on a night in January. Of those, 73% were white, 17% were American Indian/Alaskan Native, and 6% were multi-racial. Of those 468 individuals, 327 were adults, 141 were adults with children, and 57 were veterans.

Missoula County Point in Time Race Demographic Data			
Race	Non-Hispanic	Hispanic	Total
White	304	37	341
American Indian/Alaskan Native	73	7	80
Multi-Racial	26	-	26
Black	10	2	12
Native Hawaiian/Pacific Islander	5	1	6
Asian	2	1	3
Grand Total	420	48	468

Data Source: [Montana Homeless Survey](#)

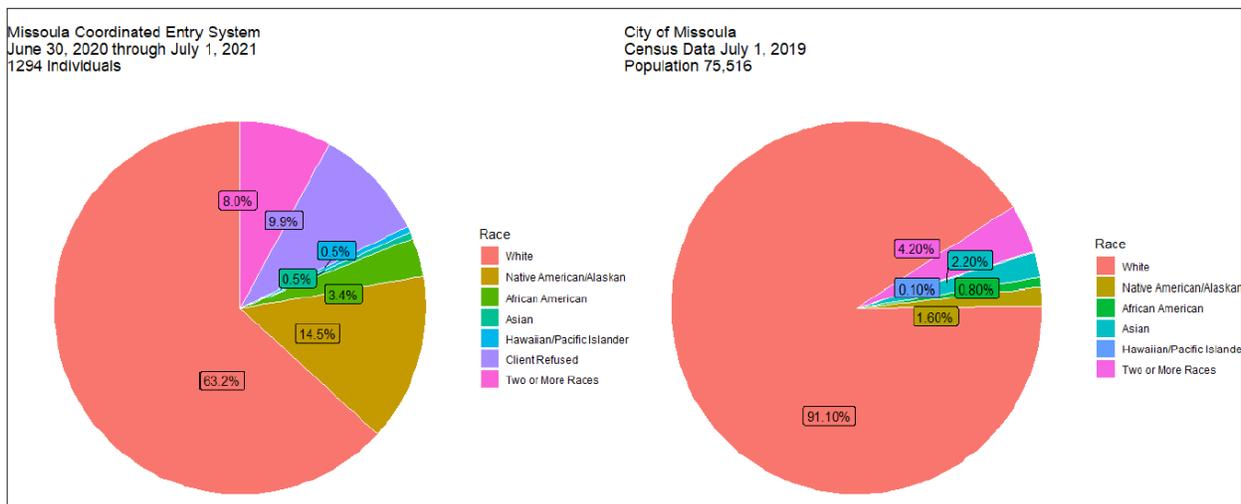
Missoula County Point in Time Age Demographic Data		
Age	Number of Individuals	% of Total
65+	19	4%

55-64	89	19%
45-54	73	16%
35-44	93	20%
25-34	85	18%
18-24	27	6%
13-17	21	5%
5-12	39	8%
0-4	22	5%
Total	468	100%

Data Source: [Montana Homeless Survey](#)

A comparison chart from the Missoula Continuum of Care Coalition 2021 Gaps Analysis report shows the race distribution in the Missoula Coordinated Entry System (MCES) versus the City of Missoula.

Race Distribution in MCES versus City of Missoula



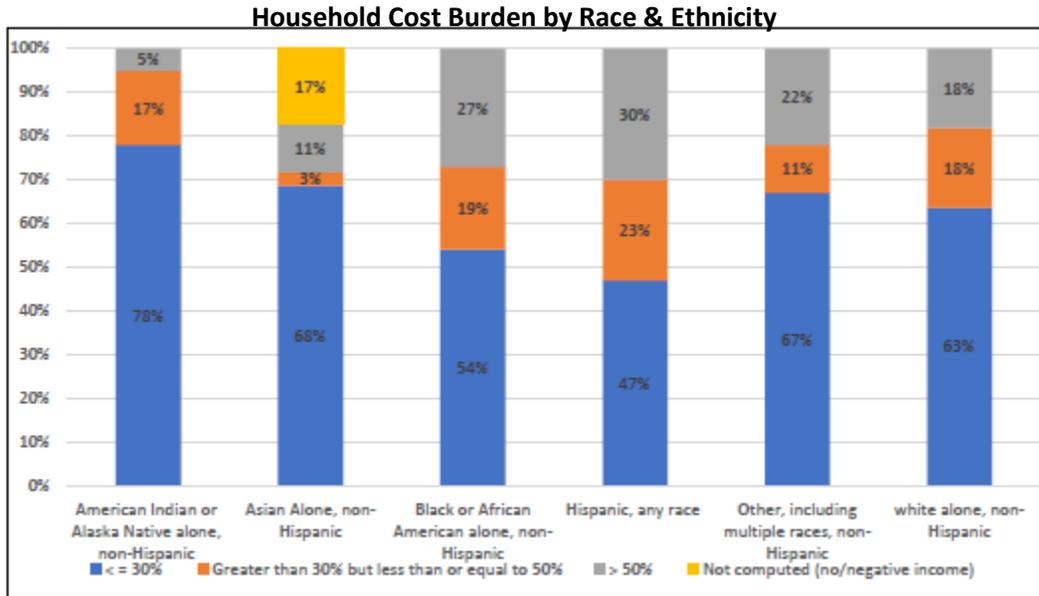
Data Source: CoC 2021 Gaps Analysis Report

Homelessness disproportionately affects minority populations. For example, while only 1.6% of Missoula’s population identifies as Native American/Alaskan Native, they make up 14.5% of the individuals in the MCES.

At Risk of Homelessness / Other – At Greatest Risk of Housing Instability

Although 91 percent of Missoula residents are white, it is important to consider variation in household income by race and ethnicity (see below). Missoulians who identify their ethnicity as Hispanic, or race as Black or African American are two groups most likely to experience cost burden in their housing. We’ll

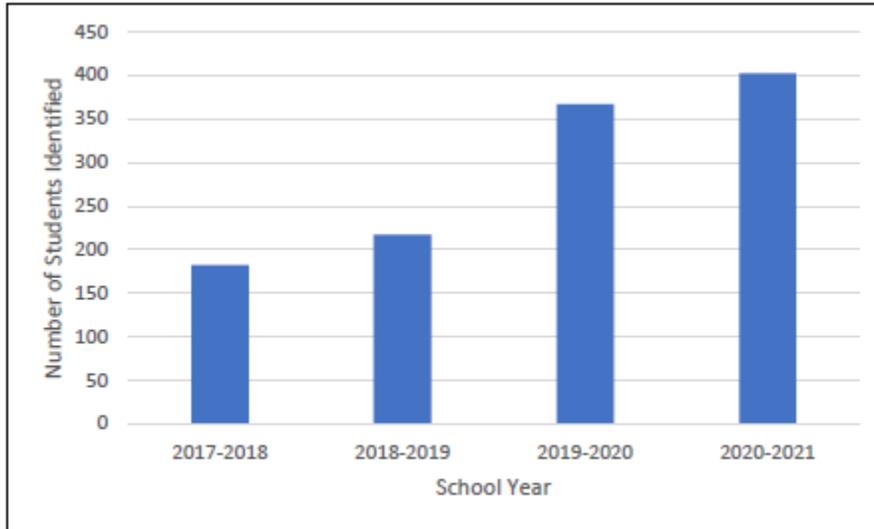
talk more about cost burden below, but cost-burdened households are defined as households paying more than 30% of their income on housing.



Missoula is home to approximately 118,000 persons with disabilities. Of those, 67% are employed, while 13% reside at or below the poverty line. The race demographics for persons with disabilities mirror Missoula’s overall race demographics.

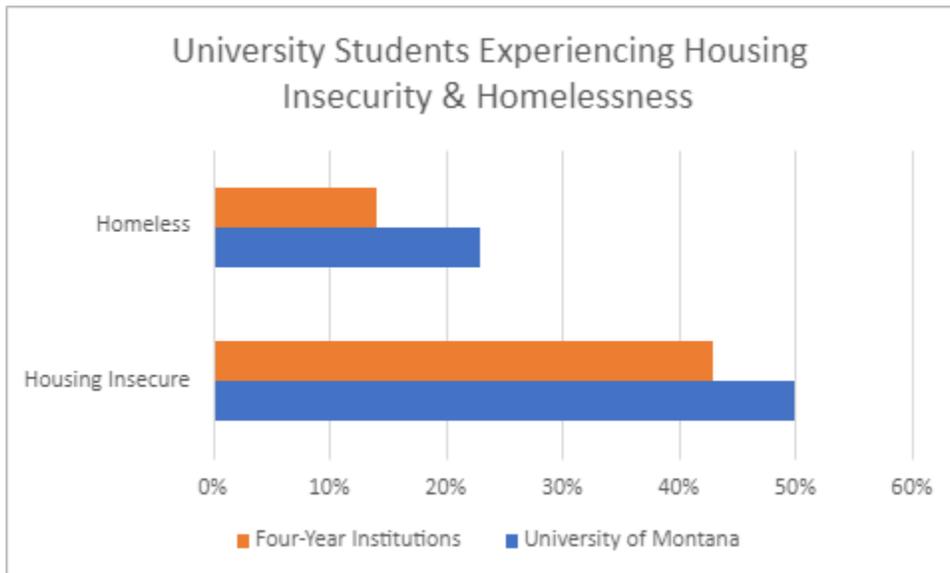
Data from Missoula County Public Schools indicates that the total number of students experiencing houselessness or housing instability has more than doubled since the 2017-2018 school year. The pandemic was cited as the biggest driver of this increase.

Number of Houseless and At-Risk Students



Source: Missoula County Public Schools

The Associated Students of the University of Montana (ASUM) Renter Center 2020 #realcollege Survey School Report indicates that 50% of students at the University of Montana experienced housing insecurity in 2020, and 23% experienced homelessness. This is 7% and 9% higher, respectively, than other four-year institutions.



Source: ASUM #realcollege Survey

The American Community Survey (ACS) shows that in 2019, 6.7% of Missoula’s population were veterans, with 3.4% of those living below the poverty level, which is defined as those living at or below 30% of the Area Median Income.

Fleeing or Attempting to Flee Domestic Violence

The Montana Board of Crime Control reports in its most recent data that Missoula County had 719 domestic violence offenses in 2020. In fiscal year 2021, Missoula’s YWCA Pathways, a program that includes shelter and support for survivors of domestic and sexual violence (including dating violence, sexual assault, stalking, or Human Trafficking), served a total of 1,653 unduplicated individuals. Their crisis line helped an additional 1,468.

Pathways Race Demographic Data FY21				
Race	Women	Men	Children	Trans/Non-Binary
White	56	2	33	2
Black or African American	1	0	4	0
American Indian/Alaskan Native	37	0	15	0
Asian	1	0	0	0
Native Hawaiian/Pacific Islander	1	0	0	0
Hispanic/Latino	2	0	1	0
Multi-Racial	5	0	9	0
Total	103	2	62	2

Source: Missoula’s YWCA Pathways

Of the 169 individuals who were sheltered at Pathways, 61% were women, and 37% were children.

Pathway’s Age Demographic Data FY 21	
Age	Number of Individuals
0-5	24
6-12	26

13-17	12
18-24	14
25-59	91
60+	2
Total	169

Source: Missoula’s YWCA Pathways

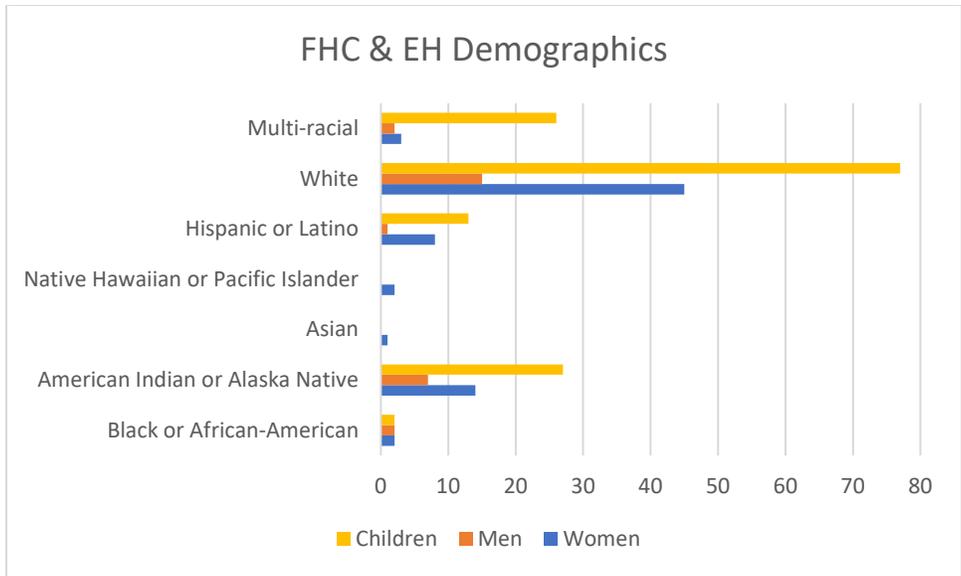
The majority of individuals seeking shelter at Pathways were between the ages of 25-59 (54%), while 30% were below the age of 12.

Other – Other Families Requiring Services or Housing Assistance to Prevent Homelessness

The YWCA Meadowlark opened its doors summer 2021. YWCA shows data on families accessing the Family Housing Center and those who sought emergency housing assistance.

Family Housing Center FY21					
	Families	Women	Men	Children	Total
Family Housing Center Residents (FHC)	32	29	9	49	87
Emergency Housing Participants (EH)	51	47	17	104	168
Total Unduplicated FHC & EH Participants	71	64	25	130	219

Source: YWCA Family Housing Center



Source: YWCA Family Housing Center

Of those assisted at the FHC, 55% were white, 19% were American Indian or Alaska Native, and 13% were multi-racial. The FHC collected additional demographic data that included those identifying as an individual with a disability, limited English proficiency, and female head of households among others (see figure below).

FHC & EH Additional Demographics	
Disability	32
LGBTQ	2
Limited English Proficiency	1
Veteran	1
Formerly Incarcerated	2
Female Head of Household	60

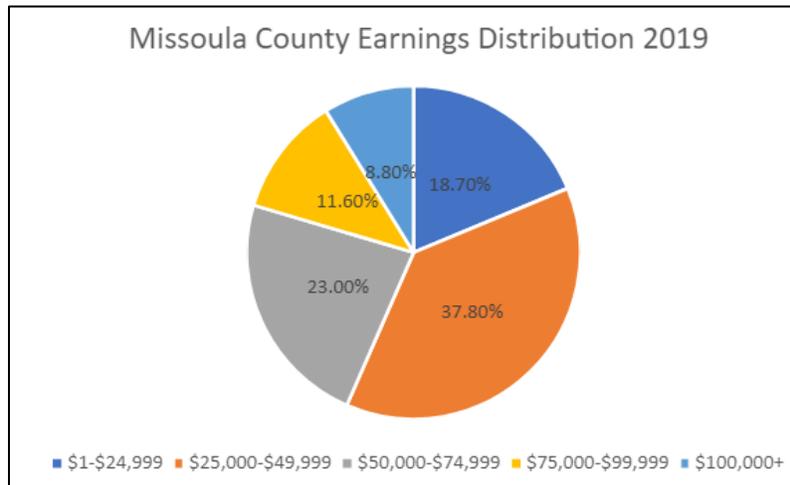
Source: YWCA Family Housing Center

Unmet Housing and Service Needs

Describe the unmet housing and service needs of qualifying populations, including but not limited to sheltered and unsheltered homeless populations; those currently housed populations at risk of homelessness; other families requiring services or housing assistance or to prevent homelessness; and, those at greatest risk of housing instability or in unstable housing situations.

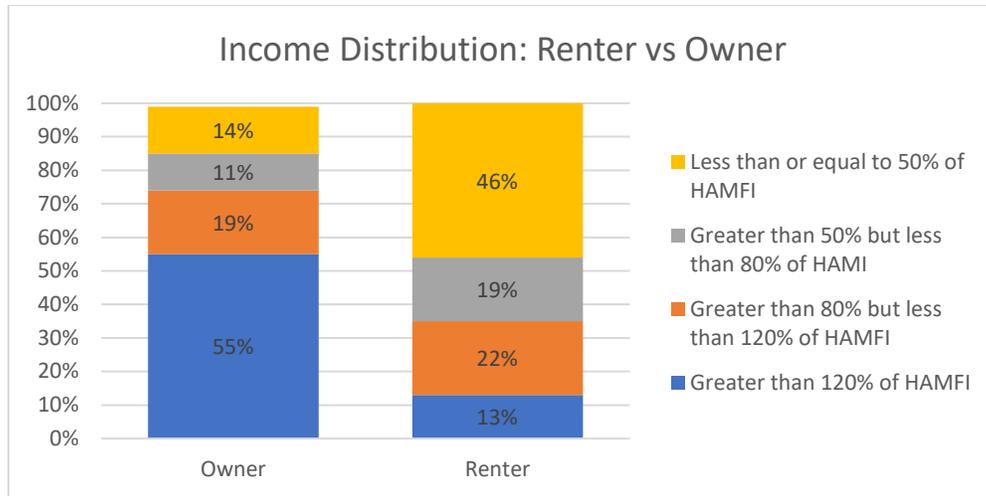
As we move from demographics into unmet needs, it's important to remember that housing affordability is the gap between wages and housing costs. HUD recognizes that affordable housing is defined as a housing payment at or below 30% of a household's gross income.

If we look at income, we see that 56.5% of Missoula County's population is making less than 80% HUD's Area Median Income, or approximately \$50,000 or less. While 18.7% are making less than 30% AMI, or approximately \$22,550 for a family of four.



Source: American Community Survey, MOR

There are approximately 17,000 renters in Missoula County, or 41% of households. The median rent of a one-bedroom apartment is \$910. The National Low Income Housing Coalition's [Out of Reach](#) dashboard estimates the hourly wage a full-time worker must earn to afford a modest rental at HUD's Fair Market Rent without spending more than 30% of his/her income on housing. In Missoula to afford a 2-bedroom rental home an average annual wage of \$39,160 is required. That falls just over 50% AMI. From the graph above, approximately 37.8% of Missoulians earn between \$25,000-\$49,999.



Data Source: 2014-2018 CHAS

46% of renters earn less than or equal to 50% of the HUD Area Median Income for Missoula, versus 14% of homeowners.

At Risk for Homelessness / Other – At Greatest Risk of Housing Instability

Cost-burdened households are defined as households paying more than 30% of their income on housing. Section 104 of the McKinney-Vento Homeless Assistance Act defines at-risk households, in part, as individuals or families who have incomes below 30% of area median income. For Missoula, this would be those with a household income of approximately \$22,550 or less for a family of four.

The chart below shows that 48.4% of Missoula renters were cost burdened in 2019. With the sharp rise in rents in 2020 and beyond, these numbers have no doubt increased.

Housing Cost Burden for Missoula Renters and Owners

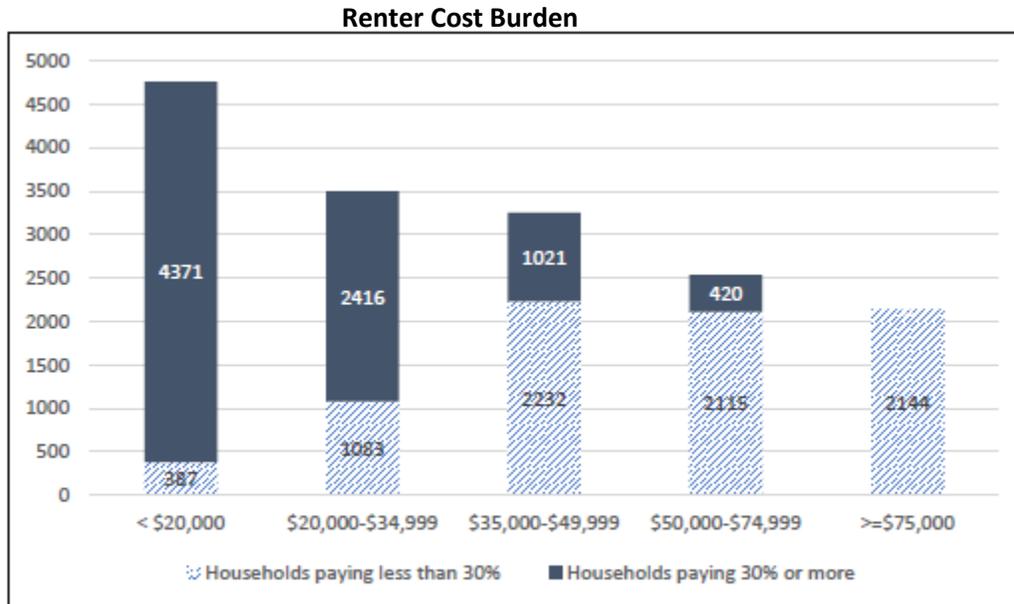
	2014	2018	2019	5-year Change	1-year Change
Owner-occupied housing units	14,078	14,618	15,312	8.77%	4.75%
Renter-occupied housing units	15,188	17,661	17,001	11.94%	-3.74%
Percentage of owners paying 30% or more	27.0%	16.8%	24.4%	-2.60%	7.60%
Percentage of renters paying 30% or more	55.1%	50.6%	48.4%	-6.70%	-2.20%

Sources: 2014, 2018 and 2019 ACS 5-Year Estimates, Table S2503.

Source: Missoula's Housing Landscape Report

Households with income less than 30% of AMI with a cost burden greater than 50% are at risk for homelessness. Severely cost burdened low-income households are more likely than other renters to sacrifice necessities like healthy food and healthcare to pay the rent, and to experience unstable housing situations.

The Renter Cost Burden chart below shows that nearly 8,000 households earning less than \$50,000 a year are cost burdened. In Missoula County, for those earning less than \$35,000/year (or approximately 50% AMI), 82% of households are cost burdened.



Source: US Census Bureau, ACS 2019

In addition to cost burden, inadequate or poor-quality housing contributes to health problems such as infection and chronic diseases, injuries, and poor childhood development. Measures of poor housing quality include incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per bedroom, and a cost burden of greater than 30%.

Income by Housing Problems					
	0-30% HAMFI*	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Household has at least 1 Housing Problem	5,525	4,045	3,525	1,465	1,905
Household has no Housing Problem or no cost burden	1,215	1,440	5,450	3,820	20,220
Total Households	6,745	5,480	8,975	5,285	22,125

The figure above shows that in 2018, 9,570 households at or below 50% AMI have some form of housing problem.

With so many cost-burdened households in Missoula, the rate of eviction is another important factor to consider when determining how many households are at risk of homelessness. The most up-to-date data available comes from the [Eviction Lab](#), and it shows that in 2016 Missoula's eviction rate was 0.69%, which is lower than the 0.86% rate for Montana. The COVID-19 pandemic along with an 11% increase in rents between 2016 and 2020 has created additional risk factors for eviction, however more recent data is not available.

The addition of affordable rental units could help reduce renters' risk of homelessness or housing instability by driving down competitive rental rates and lessening the cost burden. Providing supportive services and tenant based rental assistance could also help to ease cost burden and alleviate the factors that lead to an increase risk of homelessness.

Sheltered and Unsheltered Homeless / Fleeing or Attempting to Flee

The **Poverello Center**, Montana's largest homeless shelter, 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.

Although shelter capacity has been reduced by more than half in response to COVID-19 guidelines, the pandemic caused the number of individuals facing homelessness to rise. When the Missoula 2019-23 Consolidated Plan was published in 2018, the Point In Time (PIT) Survey had identified 319 homeless individuals in Missoula (MCP, Page 30). While the Missoula Coordinated Entry System (MCES) By Name-List is not directly comparable to the PIT count, the 574 names currently listed there illustrate a significant rise in homelessness in our community. The addition of the Poverello's winter shelter location increases capacity during the coldest months, but the funding does not allow operation year round. The Emergency Winter Shelter can shelter up to an additional 150 people from November through April.

The deficit of affordable housing options in our community means those experiencing homelessness have no housing alternatives to pursue. Further, applicants with barriers to housing, such as criminal history, lack of income, or lack of references, are at an extreme disadvantage in such a competitive market. With limited shelter space, individuals are forced to face the streets, leading to a rise in encampments, emergency service interventions, and medical costs to the community.

As the Poverello Center anticipates the number and needs of homeless individuals in our community will continue to grow.

The Housing Montana Heroes veterans program, currently located on the top floor of the Poverello Center, has experienced decreased occupancy due to participant's safety concerns around COVID-19.

For instance, in 2019, 60% of veterans were discharged into permanent housing. Since the pandemic, this rate has dropped to around 40%, and a significant number of Veterans have left the program over COVID-19 safety concerns.

In the summer of 2021, the YWCA's Meadowlark facility opened its doors. This new facility includes an expanded YWCA Pathways Domestic Violence Shelter with 13 rooms for individuals and families fleeing domestic violence (including dating violence, sexual assault, stalking, or Human Trafficking). The Meadowlark also includes a new Family Housing Center (FHC) for homeless families. The FHC has 25 private rooms and overflow dorm space for six additional families. A driving motivation behind the FHC was the ability to provide shelter the same night a family was displaced without having to use a waitlist.

In their new home, YWCA Missoula has the capacity to serve twice as many adults, and an even more dramatic increase in the numbers of children. This transition represents a significant milestone in YWCA Missoula's second century of service to the community and marks a shift from a reactionary short-term assistive response to a holistic approach that provides immediate safety in the wake of crisis coupled with a full span of supportive services under one roof.

However, family homelessness continues to be a persistent and increasing problem across Missoula County. Impacts from the pandemic are contributing to this problem and creating additional significant barriers for low-income families to achieve and maintain stable housing. The link between domestic violence and family homelessness is vivid: 70% of the homeless families we see are headed by women, and domestic violence is a significant cause of their homelessness. Other contributing factors include high rates of poverty, and high percentages of cost-burdened households.

Other – Other Families Requiring Services or Housing Assistance to Prevent Homelessness

YWCA Missoula has also faced a constantly evolving set of challenges as more effects from the pandemic have emerged. YWCA Missoula anticipated serving more than double the numbers of families and an even more dramatic increase in the numbers of children annually in the new facility. However, with the ongoing effects from the pandemic disproportionately affecting low-income homeless families, those numbers have been higher than anticipated. Additionally, families now require longer stays in shelter before they can achieve safe housing. Even with dramatically increased capacity to serve families in The Meadowlark, the need has at times outstripped resources, forcing hard decisions for staff when every week, newly homeless families walk in the doors requesting help.

The YWCA Meadowlark has played a significant role in increasing Missoula's ability to provide non-congregate shelter for those hit hardest by the pandemic and in need of emergency shelter. The impacts of the pandemic will not dissipate anytime soon and the need for shelter is projected to continue to grow. Increased availability of rental units, supportive services, and tenant based rental assistance will help to keep people in their homes and when displaced, reduce the length of time in the shelter by providing available affordable housing, additional housing assistance or supportive services and avoid a return to homelessness.

Current resources

Identify and consider the current resources available to assist qualifying populations, including congregate and non-congregate shelter units, supportive services, TBRA, and affordable and permanent supportive rental housing:

The **Poverello Center** 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 the **Emergency Winter Shelter Program** in partnership with City of Missoula and Missoula County to reduce the number of unsheltered adults sleeping in places not meant for human habitation in Missoula. The COVID-19 Pandemic presented extra challenges to providing safe and warm space through the 2020 winter; the Poverello's sheltering capacity was reduced to 88 people a night to maintain social distancing protocols. The Emergency Winter Shelter can shelter up to an additional 150 people from November through April, as weather needs dictate.

In Missoula, **Emergency Solutions Grant (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 in a three-county area 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 (at a homeless shelter, place not meant for human habitation, hotel if paid for by charitable organization and transitional housing if they were homeless at the time of entry) and receives direct referrals from Missoula's Coordinated Entry System.

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. MHA operates and administers public housing, Housing Choice Vouchers (previously known as Section 8), Shelter Plus Care, 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 provides subsidized housing (PH, HCV, SPC) for over 1,000 families, and owns (sometimes in partnership) and manages affordable housing for 535 other households.

Homeward uses sustainable methods to strengthen Montana communities by teaching homebuyer education and financial skill building and creating safe, healthy homes people can afford. Since its inception in 1994, Homeward has created or preserved 32 properties in 13 Montana communities, equating to 1,319 homes that people can afford to rent or buy. In addition, starting in 1997, they have offered a full continuum of homebuyer, financial, and renter education programs and empowered more than 16,000 people.

Missoula County, City of Missoula and numerous community partners, including the Poverello Center, United Way of Missoula County and Hope Rescue Mission, have implemented the following programs and initiatives to help make homelessness rare, brief and one-time-only:

The Trinity Project is a collaboration between Homeward, the Missoula Housing Authority and BlueLine Development will develop a 202-home project located on two sites in Missoula. Missoula County contributed the land for the Mullan site, which will provide 130 low-threshold affordable homes, 30 of which will be supportive housing, accompanied by a navigation center, for Missoula's long-term unhoused neighbors. Seventy-two affordable homes will be located on the Cooley block and will be built for families and Missoula's workforce.

The Villagio is a Missoula Housing Authority housing effort on the Northside that will include 200 two-, three- and four-bedroom units priced to be affordable to people making at or below 60% of the area median income. The project, which also will include 24 units with project-based vouchers attached, is on track to open in spring/summer of 2022.

The YWCA opened a new shelter facility in partnership with Missoula Interfaith Collaborative's Family Promise Program that significantly expands our community's ability to support families who are houseless and those impacted by domestic violence. **The Meadowlark Family Housing and Domestic Violence Shelter Facility** is a 30,000-square-foot building that has 38 private sleeping rooms, 178 beds, 50 bathrooms, shared living and dining areas, outdoor youth play spaces, health care and legal clinics and offices for supportive services. The facility's three wings — YWCA's program center, YWCA's domestic violence shelter, and Missoula Family Housing Center — offer a significant resource to Missoula in ensuring that there is access to dignified, safe housing for families who need it most.

The **Temporary Safe Outdoor Space (TSOS)** was created in December 2020 and is a non-congregate shelter site for residents who are looking to make active progress in their journey to a housing solution. It's operated by Hope Rescue Mission with partnership from United Way of Missoula County, Missoula County, and City of Missoula. The TSOS has 20 canvas-tents, each able to fit up to 2 people for couples, siblings or others seeking to share a tent space. Hope Rescue Mission provides connection to the Missoula Coordinated Entry System and ongoing housing navigation, while also connecting residents to case management, and varietal other housing resources and services. The site also brings programming to residents such as renter education classes, partnership with community garden organizations, and other programs to support residents and build community.

The City and County also recently opened the **Authorized Camping Site (ACS)**, a sanctioned camping area within the City for folx who are unsheltered. There are 40 camping spots and basic needs services including: bathrooms, trash, firewood, sharps disposal and others. The site is frequented by outreach teams and providers to deliver housing, social and basic medical support. Partners across town also donated food, clothing, warming items, pet supplies, harm-reduction kits and other resources to support a positive experience for residents. **The Missoula Coordinated Entry System** was created in 2017 in an effort to better leverage the array of houseless and housing resources throughout Missoula. As of March 2022, there are 38 agencies throughout Missoula signed on to this system as either an access point or partner agency responsible for directly serving or providing supportive services to our neighbors experiencing homelessness. Representatives from all the agencies correspond regularly to coordinate services for individuals entering the system and ensure resources are going to community members with the greatest need. Part of MCES is the By-Name-List, which is an identified list of the

individuals in Missoula experiencing homelessness. Dozens of case workers from across the community come together weekly to review this list and plan case coordination for people individually.

The At-Risk Housing Coalition comprises multiple agencies throughout Missoula County working to support people who are at risk or are experiencing homelessness. Members are expected to regularly attend General Meetings, participate in subgroups as they overlap with their area of work, and collaborate on coalition-wide initiatives and projects. Members of the Executive Committee have voting power on approval of policies for the Missoula Coordinated Entry System. ARHC is a key source of information-sharing and collective support across providers throughout Missoula.

Homeward's landlord liaison position works to effectively market Missoula housing support programs to new and existing landlords and property managers, with the goal of expanding the number of units available to those facing barriers, such as little to no rental history. The liaison works closely with renters to teach skills in being a good renter—how to read and understand a lease, communicating with your landlord, and other valuable skills. The liaison also works to learn about eviction resources locally, state-wide, and nationally to connect community members with resources to prevent or work with eviction. Due to challenges related to the nearly-zero vacancy rate in Missoula, this position has had to adapt often to determine the best way to support Missoulians when there are very few houses available.

The FUSE program development manager at Partnership Health Center works with the City of Missoula and the Missoula Coordinated Entry System. FUSE, which stands for Frequent Users of System Engagement, is a housing-first model that identifies individuals who are frequent users of crisis services (i.e., jail, shelter, emergency room, etc.) and provides permanent supportive housing to these individuals. This means their housing is affordable and tenants have access to services to assist them. It significantly reduces the costly revolving door of accessing crisis services. PHC participates in the model because supportive housing is an evidence-based solution that leads to better health and quality of life for people experiencing homelessness. Open Aid Alliance partners with PHC and FUSE to provide housing retention support at Cornerstone, a Permanent Supportive Housing development.

Partnership Health Center began operating the **Community Care Team (CCT)** through partnership with the City of Missoula and Missoula County. The team, comprised of a manager, two tenancy support specialists, a registered nurse, a peer support specialist, and a community health coordinator, is a mobile unit that regularly visits shelter sites in the community to provide care where people are. The focus is on providing housing navigation and support, social support, and basic medical care. One of the tenancy support specialists is tasked with working specifically with the FUSE population. The team regularly visits the new Authorized Camping Site, the Emergency Winter Shelter, and other shelter sites in town. They intend to provide care for neighbors who cannot or will not access services with other providers.

The **Continuum of Care** committee of the At-Risk Housing Coalition also works annually to provide a Needs and Gaps analysis to the Statewide CoC to respond to the annual NOFO for local CoC-funded programs that support Missoula Housing Authority and Human Resource Council District XI. YWCA Missoula applies annually for Continuum of Care funding through the U.S. Department of Housing and Urban Development to provide rental assistance and supportive services to families experiencing homelessness. The YWCA can support up to 50 families each year with rental assistance.

Homeless Outreach Team (HOT) is a team of staff run through the Poverello Center whose primary responsibility is to build relationships and trust with community members experiencing homelessness, with the goal of helping connect them to resources and find stable housing. These staff spend many hours a week in the field visiting individuals in the spaces throughout Missoula where they're living and are a primary bridge to services and to the Missoula Coordinated Entry System. HOT is part of the **Community Outreach Team (COT)**, which is the umbrella coalition for all homelessness outreach workers in Missoula working together to coordinate field visits and response.

Centralized Housing Solutions Fund is a flexible financial assistance fund intended to divert households from the houselessness system in Missoula. It is available for households who identify it as a need for resolving their housing crisis through diversion or rapid exit conversations. When financial assistance is necessary to obtain safe housing, Housing Solution funds can be used in a variety of ways provided they directly result in a housing solution, whether permanent or temporary.

The Housing Advocate Network (HAN) is a coalition of everyday people who work one-on-one with individuals and families experiencing houselessness to support them in pursuing their housing goals. HAN volunteers believe in the importance of relationships in addressing the trauma, stigma and isolation often associated with houselessness and are committed to walking alongside their neighbors to help them clarify housing goals, understand housing barriers, complete tangible tasks, and connect with available community resources.

A list of affordable and/or assisted properties is below.

Assisted Multifamily properties in Missoula (provided by the [Human Resource Council](#)):

- Cottage Park (60 units) (low and very low, Section 8)
- Council Groves (72 units) (extremely low income)
- Grandview (48 family units) (Section 8)
- Eagle Watch Estates (24 units) (Disabled)
- Bruce Blattner Apartments (8 units) (Disabled)
- Uptown Apartments (14 units) (Single homeless adults)
- Silvercrest Apartment Community (50 units) (62+ seniors)
- Valor House (17 units) (Veterans)
- Missoula Manor (126 unit) (Seniors, Section 8)
- Clark Fork Riverside Manor (134 units) (Seniors)
- Union Place I & II (LIHTC properties)
- Fireweed Apartments (12 low-income families)
- Equinox (35 units)
- Gold Dust Apartments (18 low-income families)
- Lenox Flats (10 low-income families)
- Orchard Gardens (35 units) (Low to moderate income)
- Phillips Street Apartments (8 units) (Low to moderate income)
- Russell Square Apartments (52 units) (LIHTC)

- Palace Apartments (60 units)
- River Ridge (70 units) (Seniors)
- Garden District (37 units) (LIHTC)
- Silvertip Apartments (115 units) (Low to moderate income)
- Burlington Square (51 units) (Seniors)
- Alder Park Apartments (74 units) (Section 8)
- Parkside Village (104 units)
- Creekside Apartments (161 units)
- Wildflower Apartments (96 units)
- COAD Apartments (three 6-plex units)

GAPS in Shelter and Housing

Identify any gaps within the current shelter and housing inventory as well as the service delivery system:

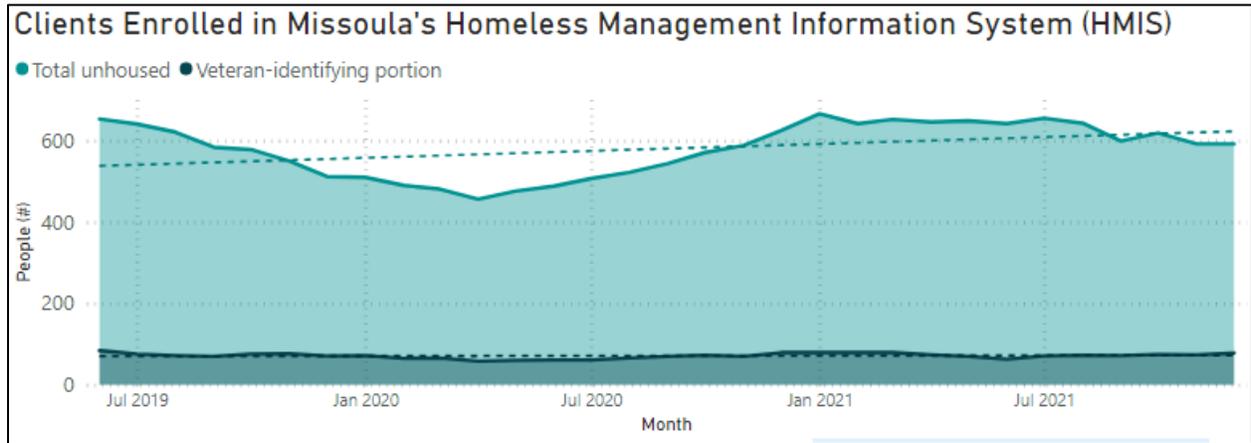
The gaps identified through this HOME-ARP plan development process include an overall need for affordable rental housing, non-congregate shelters, and transitional housing. The housing crisis in Missoula created a need for housing temporary non-congregate shelter where neighbors can live while searching for a vacant house; many Missoulians receive vouchers or fully secure rental paperwork and then stagnate in their process due to an insufficient number of houses to meet the need. In addition, there exists a need for the continued expansion of supportive services to provide the holistic and wrap-around support that our housing insecure, houseless, and chronically unsheltered residents need in order to obtain and remain in stable housing; this includes diversion, housing navigation, and housing retention support.

Emergency Shelter Capacity in Missoula (# of beds)	
Poverello Center	88
Housing MT Heroes (transitional housing)	10
YWCA Transitional Housing	6
YWCA Family Housing Center	178
Valor House	17
Temporary Safe Outdoor Space	40
Emergency Winter Shelter	150
Authorized Camp Site	80
Total	569

Source: CoC Gaps & Needs 2021 Gaps Analysis

If we take into account all the factors that can lead an individual to becoming unhoused and compare it to the approximate number of subsidized units and emergency shelter beds Missoula has, it shows a clear need.

One way to survey unhoused individuals is through the HMIS system, Missoula’s comprehensive record of unhoused individuals receiving service from city agencies and local non-profits.

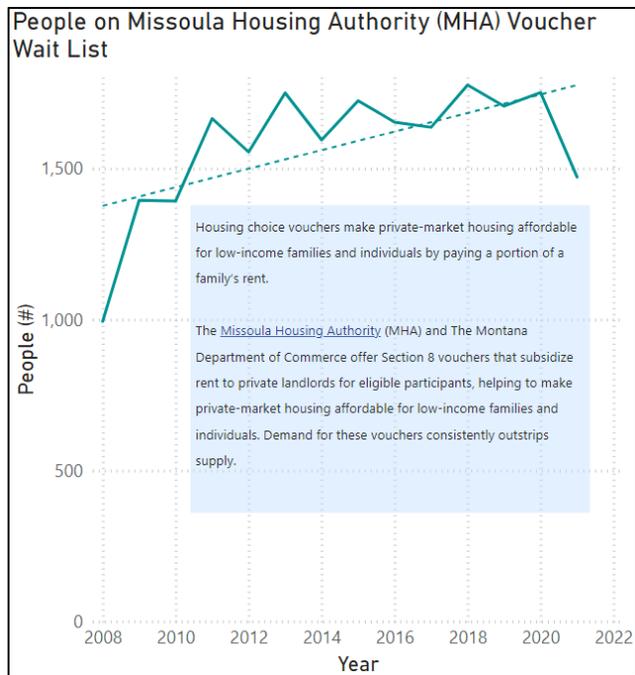


Source: Missoula Organization of Realtors

In January 2020, there were 510 individuals seeking services. A year later in 2021, there were 666. Compare this to the number of beds available (569), and a clear gap emerges. After COVID-19 precautions are rescinded, the number of emergency beds will increase by 87, bringing the total number of beds to 656, which still falls short.

Housing Choice Vouchers (HCV) provide rental subsidies for families earning very low incomes. Households receiving these subsidies choose their own rental unit, subject to program requirements and owner approval. Their rent is capped at 30% of their income and the subsidy pays the remainder to the property owner. The Missoula Housing Authority and the District XI Human Resource Council administer these vouchers. The number of households on the HCV waiting list is another indicator of overall demand for affordable rental housing.

Since 2015, the number has remained consistently in the ~1,750 range, with a dip in 2021 indicative of households being unable to utilize the vouchers due to the low supply of units.



Source: Missoula Organization of Realtors

The University of Montana’s Affordable Housing in Montana December 2020 report highlights additional factors when considering gaps. Data from the Montana Department of Commerce shows that in 2016 there were 4,341 applications for HCV, and a mere 285 issued.

The report further outlines that there are 2,089 units receiving some form of federal subsidy to keep them affordable. These funds often have compliance time limits placed on them that expire, after which the units may be sold at market rate.

Of Missoula’s 2,089 housing units receiving subsidies for affordability, including Low Income Housing Tax Credits, Section 8, and other forms of federal assistance, 473 (23%) are set to have their subsidies expire in the next ten years.

For reasons stated above, it’s clear that Missoula’s housing problems have only just begun.

Identify the characteristics of housing associated with instability and an increased risk of homelessness if the PJ will include such conditions in its definition of “other populations” as established in the HOME-ARP Notice:

The City will not further identify “other populations” within the qualifying populations already outlined.

Identify priority needs for qualifying populations:

The priority identified consistently from our partners and the public was a need for more affordable units. In addition, we heard interest in transitional housing and supportive services. The Missoula community has struggled with a tight housing market for many years, but this was significantly exacerbated by the COVID-19 pandemic. Rental vacancy rates were low before 2020 and plummeted throughout 2020-2022. This has resulted in a sharp rise in rent costs, increasing the population of renters that are cost burdened and at risk for homelessness. Adding more rental units, and especially more rental units that are protected and intended to serve low- and moderate-income Missoulians will alleviate some of that pressure and provide more stability in housing for our residents. However, adding units alone will not address the full picture of our housing needs.

Over the course of the pandemic, we have seen the population of unhoused residents and unsheltered residents increase as well. We know that once a family enters houselessness, additional services and supports are essential to stabilizing their housing situation and getting them into a permanent home, as well as ensuring they are able to remain in that home. This was reflected in the comments and input from the community and our service provider and housing partners who also identified services as a key priority for the HOME-ARP funds.

Finally, we heard from many partners through the consultation process about the need for transitional housing in Missoula. This is a big gap in our current system and the tight housing market we have seen over the course of the pandemic has highlighted it. Many of our unsheltered and unhoused residents need a transitional space to stabilize in before making the leap to permanent housing. We currently have no service providers or spaces that meet that need in the system, and the HOME-ARP funds provide an opportunity to fill that gap if a project is identified.

We don't anticipate that the pandemic or its impacts on our housing market will go away anytime soon. To truly meet the needs of today, we must prioritize additional affordable unit creation, supportive services, and transitional housing to fill the gaps in our system and meet the needs of Missoula's HOME-ARP qualifying populations.

Explain how the level of need and gaps in its shelter and housing inventory and service delivery systems based on the data presented in the plan were determined:

The gaps in services and program needs to provide affordable rental housing and supportive services were determined using data from multiple sources as well as personal consultation with community providers and community members.

Sources Noted	
American Community Survey, Census Bureau	https://www.census.gov/programs-surveys/acs
Missoula Organization of Realtors Housing Market Data Dashboard	https://www.missoularealestate.com/5valleyshousingreport
City of Missoula Housing Landscape Report	http://www.ci.missoula.mt.us/DocumentCenter/View/58481/2021-Missoula-Housing-Landscape-Assessment-PDF

Missoula County Housing Action Plan: Breaking Ground	https://www.missoulacounty.us/government/community-development/community-planning-services/grants-community-programs/projects-and-programs/housing
Out of Reach Housing Data	https://reports.nlihc.org/oor
Eviction Lab	https://evictionlab.org/
HUD Comprehensive Housing Affordability Strategy (CHAS)	https://www.huduser.gov/portal/datasets/cp.html
Affordable Housing in Montana December 2020, BBER U of M	https://www.bber.umt.edu/pubs/econ/AffordableHousing2020.pdf
Montana Board of Crime Control Crime Dashboards	https://mbcc.mt.gov/Data/Montana-Reports/Crime-Dashboards
2020 #realcollege Survey School Report	https://scholarworks.umt.edu/renter_center_pubs/6/
Missoula Continuum of Care Coalition 2021 Gap Analysis	http://www.ci.missoula.mt.us/2124/Houseless-Initiatives

In addition, we consulted our partner organizations for both input and data. Please refer to the Consultation section of this report for details.

HOME-ARP Activities

Describe the method for soliciting applications for funding and/or selecting developers, service providers, subrecipients and/or contractors and whether the PJ will administer eligible activities directly:

Unless an immediate need for funding is identified and approved in partnership with the Continuum of Care, the City plans to open applications for funding during its Program Year 2023 competitive application cycle. During that time any organization, developer, subrecipient, or Community Housing Development Organization (CHDO) is eligible to apply. At the close of the application period, all applications received will be reviewed for completeness, eligibility, and their ability to deliver on the priority needs identified within this plan.

Applications will be scored by a committee made up of city staff and City Council members, based on criteria that includes the applicant’s ability to comply with federal and local requirements and the project scope as it pertains to the outlined priority needs in this plan. All projects awarded funds will meet all HUD criteria, including Fair Housing Act requirements per consultation with Montana Fair Housing when applicable. Subrecipients will administer the selected activities.

If any portion of the PJ’s HOME-ARP administrative funds were provided to a subrecipient or contractor prior to HUD’s acceptance of the HOME-ARP allocation plan because the subrecipient or contractor is responsible for the administration of the PJ’s entire HOME-ARP grant, identify the subrecipients or contractor and describe the role and responsibilities in administering all of the PJ’s HOME-ARP program:

The city will allocate the funds.

Use of HOME-ARP Funding

The City of Missoula shows a clear need for more affordable rental units. The low vacancy rate, increasing rents, expiring subsidies, increasing number of homeless individuals and those with housing cost burdens all add up to a clear need for more affordable units.

The actual percentage of funds that will be spent on individual projects is under consideration, but based on collaboration with our local CoC, it's clear that affordable units, transitional housing, and supportive services are high on the list of projects the City of Missoula would like to support.

Describe how the characteristics of the shelter and housing inventory, service delivery system, and the needs identified in the gap analysis provided a rationale for the plan to fund eligible activities:

The lack of affordable housing is the barrier to addressing other issues like homelessness and at-risk of homelessness. With the vacancy rate nearly at zero in Missoula and the high cost of housing, many households are priced out of the rental market. And those cost burdened or at-risk of homelessness are increasingly pushed not only out of their current housing, but also out of any chance of renting at an obtainable rate as landlords respond to the market by either selling their units or renting to higher-income tenants. The City of Missoula views this allocation plan as the first step in clearly identifying priorities for these funds based on community feedback and the gap analysis. The needs identified are specific and the development and provider in the Missoula community is relatively small. This plan to fund eligible activities allows us the opportunity to circulate this allocation plan widely over the next year and work to identify interested and eligible projects that meet the specific needs identified here. Then if no clear projects are identified through that process it provides the opportunity for projects to access the funds through the typical annual competitive process next year giving us flexibility in how we identify the best partnership to utilize these funds.

HOME-ARP Production Housing Goals

Estimate the number of affordable rental housing units for qualifying populations that the PJ will produce or support with its HOME-ARP allocation:

More information to come.

Describe the specific affordable rental housing production goals that the PJ hopes to achieve and describe how it will address the PJ's priority needs:

The priority identified consistently from our partners and the public was a need for more affordable units. In addition, we heard interest in transitional housing and supportive services, but a specific project will be chosen and described at a later date.

Preferences

Identify whether the PJ intends to give preference to one or more qualifying populations or subpopulations within one or more qualifying populations for any eligible activity or project:

The City will not give preference to one or more qualifying populations.

If a preference was identified, explain how the use of a preference or method of prioritization will address the unmet need or gap in benefits and services received by individuals and families in the qualifying populations or category of qualifying population, consistent with the PJ’s needs assessment and gap analysis:

The City will not further identify “other populations” within the qualifying populations.

If a preference was identified, describe how the PJ will use HOME-ARP funds to address the unmet needs or gaps in benefits and services of the other qualifying populations that are not included in the preference:

The City will not further identify “other populations” within the qualifying populations.

HOME-ARP Refinancing Guidelines

The City does not intend to use HOME-ARP funds to refinance existing debt secured by multifamily rental housing.