



## City of Missoula Program Year 2019 Community Development Block Grant (CDBG) & HOME Investment Partnerships Program Application Guidelines

### **Background Information:**

Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds are made available to the City of Missoula on an annual basis from the Federal Government through the U.S. Department of Housing and Urban Development (HUD). The City's CDBG and HOME Programs are administered by the Office of Housing & Community Development (HCD). The primary objective of CDBG is the development of viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities for low- and moderate-income individuals. The primary objective of HOME is to provide decent, affordable housing for lower-income households. All applications must comply with the regulations of the CDBG and HOME programs found at 24 CFR Part 570 and 24 CFR Part 92, and described by the specific guidelines below.

### **Eligible Applicants:**

Any eligible for-profit or non-profit organization, business, or governmental agency may apply for CDBG or HOME funds. Applicants must be in compliance with all federal, state, and local laws and regulations.

### **2019 CDBG / HOME Application Timeline**

<b>Friday, December 21, 2018</b>	CDBG & HOME Application and Scoring Criteria Posted
<b>Tuesday, January 8, 2019</b>	CDBG & HOME Application Workshop (10:30am-12pm, Jack Reidy Conference Room at 140 W. Pine)
<b>Friday, January 18, 2019</b>	Deadline for <b>mandatory</b> submission of pre-application form. (4 p.m. to HCD via email: mjames@ci.missoula.mt.us & cwoodrow@ci.missoula.mt.us)
<b>Tuesday, February 12, 2019</b>	Deadline to submit questions to HCD
<b>Tuesday, February 26, 2019</b>	Application deadline. 4:00 pm to HCD via City Cloud. Final applicants will receive Cloud submission instructions.
<b>April 2019 (tentative)</b>	HCD makes funding recommendations to City Council
<b>May 2019 (tentative)</b>	Council holds public hearing, reviews funding recommendations
<b>TBD</b>	HCD submits Action Plan to HUD. Once approved, successful applicants sign contracts. (Note: This will likely occur after the start of the program year.)
<b>July 1, 2019</b>	Program Year 2019 begins

*From the moment of application submittal, applicant may not expend or obligate any HUD or non-HUD funds on project activities until the City of Missoula completes an environmental review and issues a release of funds (including a HUD Authority to Use Grant Funds, if applicable).*

**Applications must be received via email by the application deadline.  
Late applications will NOT be considered.**

## CHANGES TO PY2019 ACTION PLAN AND APPLICATION ELIGIBILITY

The City of Missoula is currently in the process of creating a new five-year Consolidated Plan to HUD. This plan includes data about community needs, the housing market, and quantitative and qualitative data from the City's Community Needs Assessment. These data, preliminarily, have clearly indicated that increasing affordable rental and homeownership housing in Missoula is a priority. As a result, the City of Missoula will strategically focus its HOME and CDBG funding on those projects that are directly connected to affordable housing outcomes. If the proposed application is focused on Homelessness, Rental Housing, Homeownership, and/or Affordable and Fair Housing, this will have no impact.

If the proposed application is focused on Public Improvements and/or Public Services, in order to be considered eligible, the application must demonstrate a direct connection to permanent housing outcomes and/or homelessness activities undertaken in direct coordination with Missoula's Coordinated Entry System.

## APPLICATION SUBMISSION

### **The completed application must be submitted via email:**

1. **Electronic copy of application and budget** (Word and Excel) submitted to City of Missoula Cloud Sharing.
2. **Electronic copy of all required attachments in one PDF** submitted to City of Missoula Cloud Sharing. To the extent possible, please ***create searchable PDFs***, if possible. A table of contents for the attachments is preferred, but not required.

*Note: Applicants approved to submit a final application will receive instructions on submitting application to City of Missoula Cloud Sharing.*

**Signature:** Non-profit organizations must have an Officer of their Board of Directors sign the application to assure the application has been authorized by their governing board. A signature from the executive director is not acceptable.

**Complete Applications:** The applications and attachments must be complete and all requested information attached. Incomplete applications will NOT be considered.

## CDBG PROJECT REQUIREMENTS

- Meet one of the three national objectives of the CDBG Program (see Objectives, page 7)
- Be located within the Missoula City limits or demonstrate that reasonable benefits from the activity will accrue to City of Missoula residents.
- Address one of Objectives stated in the Five-Year Strategic Plan provided that there is a direct connection to the City of Missoula’s Housing Objectives (See Objectives, pages 7-8.)
- Be identified as an eligible CDBG activity in one of the following categories (see CDBG Eligible Activities, page 7-8):
  1. Housing
  2. Public services
  3. Public improvements

While a project may be appropriate for more than one category, the applicant must identify the project’s primary category.

- CDBG activities involving homeowner rehabilitation, homebuyer and/or rental housing activities must adhere to affordability requirements used for the HOME program:

CDBG Activity	CDBG Investment Per Unit	Length of Compliance / Affordability Period
<b>Homebuyer and Rental Housing acquisition and/or rehabilitation</b>	<b>Less than \$15,000</b>	<b>5 years</b>
	<b>\$15,000-\$40,000</b>	<b>10 years</b>
	<b>\$40,000+</b>	<b>15 years</b>
<b>New construction of rental housing</b>	<b>Any \$ amount</b>	<b>20 years</b>

- If CDBG funds are combined with other funding sources for a project that is new construction of permanent rental housing of five or more units, the project must provide a smokefree environment in the following areas:
  - common areas, including but not limited to community rooms, community bathrooms, lobbies, reception areas, hallways, laundry rooms, stairways, offices and elevator,
  - within all units, and
  - within 25 feet of building(s), including entry ways, porches, balconies and patios.

Smokefree includes the use of all burning tobacco products, including electronic cigarettes (“e-cigarettes”). Projects may adopt more restrictive policies.

## HOME PROJECT REQUIREMENTS

- Must provide decent affordable housing to lower-income households
- Be located within the Missoula City limits.
- Be identified as an eligible HOME activity in one of the following categories (See HOME Eligible Activities, page 9):
  1. **Homeowner rehabilitation:** assist existing owner-occupants with the repair, rehabilitation or reconstruction of their homes.
  2. **Homebuyer activities:** acquisition and/or rehabilitation or new construction of homes for homebuyers.
  3. **Rental housing:** Affordable rental housing may be acquired and/or rehabilitated, or constructed.
  4. **Tenant-based rental assistance (TBRA):** Financial assistance for rent, security deposits and, under certain conditions, utility deposits may be provided to tenants. Assistance for utility deposits may only be provided in conjunction with a TBRA security deposit or monthly rental assistance program. All TBRA applicants must be a participating member in Missoula’s Coordinated Entry System and At-Risk Housing Coalition.
- Homeowner rehabilitation, homebuyer and rental housing activities must adhere to HOME period of affordability requirements:

HOME Activity	HOME Investment Per Unit	Length of Compliance / Affordability Period
Homebuyer and Rental Housing acquisition and/or rehabilitation	Less than \$15,000	5 years
	\$15,000-\$40,000	10 years
	\$40,000+	15 years
New construction of rental housing	Any \$ amount	20 years

- HOME activities are subject to minimum and maximum subsidy limits. 24 CFR 92.205(c) states: “The minimum amount of HOME funds that must be invested in a project involving rental housing or homeownership is \$1,000 times the number of HOME-assisted units in the project.” Annually, HUD establishes limits on the maximum HOME subsidy per unit. As of June 2018, these limits are:

Unit Type	Maximum HOME Subsidy Per Unit
0 BR	\$147,074
1 BR	\$168,600
2 BR	\$205,017
3 BR	\$265,228
4 BR	\$291,136
<b>*Updated June 2018</b>	

- All HOME applications are subject to City of Missoula Underwriting and Subsidy Layering review. The purpose of this review is to ensure project feasibility while also ensuring that the appropriate amount of HOME funding is being provided to the activity. Additional information may be requested to complete this review.

- HOME applicants must ensure a **public comment period of 14 days** prior to submitting your application and host one public meeting at least 7 days in advance of submitting your application.
- If HOME funds are combined with other funding sources for a project that is new construction of permanent rental housing of five or more units, the project must provide a smokefree environment in the following areas:
  - common areas, including but not limited to community rooms, community bathrooms, lobbies, reception areas, hallways, laundry rooms, stairways, offices and elevator,
  - within all units, and
  - within 25 feet of building(s), including entry ways, porches, balconies and patios.

Smokefree includes the use of all burning tobacco products, including electronic cigarettes (“e-cigarettes”). Projects may adopt more restrictive policies.

## APPLICANT REQUIREMENTS (CDBG AND HOME)

- In recognition of the fact that CDBG-HOME funds are intended to be “gap financing”, all applications must demonstrate that the proposed activity would not be feasible but for the CDBG and/or HOME investment. HCD staff may deny requests for funding if it determines that the CDBG and/or HOME investment is not required for project feasibility.
- All applications must demonstrate that the activity is sufficiently feasible such that it will commence during the 12-month program year – July 1, 2019 – June 30, 2020.
- HCD reserves the right to not award any CDBG and/or HOME funds if the proposed activity does not sufficiently address the City of Missoula’s goals.
- Provide proof of corporate authorization, such as a board resolution, to request these funds. A sample resolution is attached at the end of this document.
- By the date of application submission, have drawn down and expended 50% of PY2017 CDBG and/or HOME funds and 100% of any PY2016 or prior year CDBG or HOME funds, unless a reasonable explanation is provided to HCD

### ***PERFORMANCE MEASUREMENT***

HUD requires performance measurements for all CDBG and HOME awardees that include the identification of objectives and expected outcomes of the project or activity. Quarterly performance reports are required until the project is completed.

### ***MONITORING***

The City of Missoula is required by HUD to conduct on-site monitoring of sub-recipient organizations receiving CDBG and HOME funds to assure compliance with CDBG and HOME regulations. All organizations will receive advance notice of the scope and timing of the monitoring visit.

### ***TIMELINE***

Project start date may be no earlier than 7/1/2019. In most cases, project completion date should be no later than 12 months after the project start date.

## CDBG OBJECTIVES

### **NATIONAL OBJECTIVES**

Each activity must meet one of the following national objectives:

- **Benefit low- and moderate-income persons; OR**
- **Result in the prevention or elimination of slums or blighted conditions; OR**
- **Meet an urgent need**

### **CITY OF MISSOULA OBJECTIVES**

City of Missoula Consolidated Plan goals and objectives for the new five-year plan are currently under development and will be finalized in May 2019. In the absence of new goals and following consultation with HUD and consideration of Community Needs Assessment data and feedback, Program Year 2019 applications should meet a prior Consolidated Plan (2014-2018) Objective as detailed below:

**Goal #1 – Homelessness.** The City will assist persons who are homeless or at-risk of becoming homeless.

**Outcome:** The City will increase and/or expand the availability of prevention programs, emergency and supportive services, and transitional and permanent housing opportunities. It will place a greater emphasis on rapidly re-housing homeless individuals and families. All activities focused on homelessness must be undertaken by an applicant that is a participating member in Missoula's Coordinated Entry System and At-Risk Housing Coalition.

**Goal #2 – Rental Housing.** The City will increase and preserve the supply of affordable rental units.

**Outcome:** Activities will include acquisition, rehabilitation, new construction, tenant-based rental assistance, housing with supportive services, rental and utility deposit assistance, and assistance to create, maintain or improve mobile home parks and manufactured housing so that they are affordable, safe, energy-efficient and available to residents.

**Goal #3 – Homeownership.** The City will increase homeownership opportunities.

**Outcome:** The City will provide homebuyer assistance and will work to preserve existing affordable homeownership stock, including mobile home parks and manufactured housing, that is safe, decent, sanitary, and energy-efficient for low- and moderate-income households.

**Goal #4 – Public Improvements.** The City will improve and enhance neighborhoods and their ability to support affordable housing.

**Outcome:** The City will identify and address financial needs for extremely low-, low- and moderate-income households for infrastructure improvements such as sidewalks, sewer, and other safety items; create public and community service facilities, and develop other services that meet the needs of extremely low-, low- and moderate-income households. The City will also provide neighborhood-level planning; provide, replace, or repair deteriorating or non-existent infrastructure, including lighting, streets, and transportation systems; and encourage development near existing or planned infrastructure. All activities in this category must be directly-connected to affordable rental and/or homeownership housing activities.

**Goal #5 – Affordable and Fair Housing.** The City will continue to address community-wide affordable and fair housing issues.

**Outcome:** The City will work to eliminate barriers to affordable housing and improve fair housing compliance through periodic action plans and analyses of impediments to fair housing, and will enhance compliance with city, state and federal laws, regulations and rules such as the Montana Human Rights Act, Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of Title I of the Housing and Community Development Act of 1974, Title II of the Americans with Disabilities Act of 1990, Architectural Barriers Act of 1968, Age Discrimination Act of 1975, Title IX of the Education Amendments Act of 1972 and the City of Missoula’s anti-discrimination Resolution 3428.

**Goal #6 – Planning.** The City will plan to meet current and future community development needs.

**Outcome:** The City will seek and develop diversified private and local, state, and federal funding resources and will conduct community needs assessment meetings at least annually, host and attend community meetings dealing with community development, and prepare all plans and reports required by the U.S. Department of Housing and Urban Development (HUD).

**Goal #7 – Public Services.** The City will expand Missoula’s capacity to support human service needs.

**Outcome:** The City will provide assistance to extremely low-, low- and moderate-income people for public services connected with the City’s housing and homelessness objectives. It is understood that middle-income persons who make up to 120 percent of area median income are also often in need of assistance. All activities in this category must be directly-connected to affordable rental and/or homeownership housing activities and/or homelessness services. Homelessness services must be undertaken by an applicant that is a participating member in Missoula’s Coordinated Entry System and At-Risk Housing Coalition.



## CDBG ELIGIBLE ACTIVITIES

### **Housing Activities**

- ✓ Assist in home purchases for low- and moderate-income (LMI) persons;
- ✓ Assist LMI homeowners in repair, rehabilitation, or reconstruction of owner-occupied housing;
- ✓ Evaluate and reduce lead-based paint hazards;
- ✓ Acquisition and clearance of land, demolition, and reconstruction for the purpose of affordable rental and/or homeownership housing development;
- ✓ Site improvements of publicly-owned land while in public ownership;

**Note:** New housing construction hard and soft costs are NOT CDBG-eligible

### **Public Services Activities**

- ✓ All activities in this category must be directly-connected to affordable rental and/or homeownership housing activities and/or homelessness activities undertaken by an applicant that is a participating member in Missoula's Coordinated Entry System and At-Risk Housing Coalition.

### **Infrastructure & Public Facilities Activities**

- ✓ All activities in this category must be directly-connected to affordable rental and/or homeownership housing activities
- ✓ Construct infrastructure (street improvements, sewer);
- ✓ Install wiring, fiber optic cables, and permanently affixed equipment such as receivers for areas to receive broadband/internet access;
- ✓ Build neighborhood facilities (e.g., recreational facilities, parks, playgrounds, community and senior centers);
- ✓ Design and construct housing facilities for people with special needs, such as nursing homes, homeless shelters, and group homes for people with disabilities;
- ✓ Make improvements to public facilities in order to meet the Americans with Disabilities Act (ADA), and Architectural Barriers Act (ABA) standards for accessible design.

**The examples given do not necessarily represent an all-inclusive list of the possible eligible activities.**

## HOME ELIGIBLE ACTIVITIES

### **Homeowner Rehabilitation**

**Hard Costs:** Meeting the rehabilitation standards; Meeting applicable codes, standards and ordinances; Essential improvements; Energy-related improvements; Lead-based paint hazard reduction\*; Accessibility for disabled persons; Repair or replacement of major housing systems; Incipient repairs and general property improvements of a non-luxury nature; Site improvements and utility connections

**Soft Costs:** Financing fees; Credit reports; Title binders and insurance; Recordation fees, transaction taxes; Legal and accounting fees; Appraisals; Architectural/engineering fees, including specifications and job progress inspections

### **Homebuyer Activities**

**Hard Costs:** Acquisition of land and existing structures, including downpayment assistance; Site preparation or improvement, including demolition; Securing buildings; Construction materials and labor.

**Soft Costs:** Financing fees; Credit reports; Title binders and insurance; Surety fees; Recordation fees, transactions taxes; Legal and accounting fees, including cost certification; Appraisals; Architectural/engineering fees, including specifications and job progress inspections; Environmental investigations; Builders' or developers' fees; Affirmative marketing and marketing costs; Homebuyer counseling provided to purchasers of HOME-assisted housing; Management fees.

### **Rental Housing Activities**

**Hard Costs:** Acquisition of land and existing structures; Site preparation or improvement, including demolition; Securing buildings; Construction materials and labor.

**Soft Costs:** Financing fees; Credit reports; Title binders and insurance; Surety fees; Recordation fees, transactions taxes; Legal and accounting fees, including cost certification; Appraisals; Architectural/engineering fees, including specifications and job progress inspections; Environmental investigations; Builders' or developers' fees; Affirmative marketing and marketing costs.

### **Tenant Based Rental Assistance (TBRA) Activities**

Costs to assist income-eligible tenants with monthly rent and utilities and security and utility deposits. In order to be eligible, applicant must be a participating member in Missoula's Coordinated Entry System and At-Risk Housing Coalition.

**The examples given do not necessarily represent an all-inclusive list of the possible eligible activities.**

## INCOME GUIDELINES

**CDBG:** The primary objective of the CDBG Program is the development of viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunities principally for persons of low and moderate income. Each activity carried out by the City under this program must either be documented to benefit a majority of low and moderate-income individuals or neighborhoods or result in the elimination and / or prevention of slums and blighted conditions.

**HOME:** The primary objective of the HOME program is to create housing that is affordable for lower income households.

For Homeowner Rehabilitation and Homebuyer activities, HOME beneficiaries household income must be at / below 80% of the Missoula County Median Income.

HOME Rental activities have two constraints on occupancy:

- **Program Funds Rule:** 90% of the total households assisted through rental or TBRA must have incomes that do not exceed 60% of the Missoula County Median Income.
- **Project Rule:** In projects of five or more HOME-assisted units, at least 20 % of the HOME-assisted rental units must be occupied by families who have annual incomes that are at or below 50% of the Missoula County Median Income.

### HUD INCOME GUIDELINES FOR MISSOULA COUNTY

(new income limits may be in effect by the time the CDBG / HOME application is due)

Missoula HOME-CDBG Income Limits (effective 6/01/18)								
% of Area Median Income (AMI)	Household Size							
	1	2	3	4	5	6	7	8
<b>30% AMI</b>	\$14,800	\$16,900	\$19,000	\$21,100	\$22,800	\$24,500	\$26,200	\$27,900
<b>50% AMI</b>	\$24,650	\$28,200	\$31,700	\$35,200	\$38,050	\$40,850	\$43,650	\$46,500
<b>60% AMI</b>	\$29,580	\$33,840	\$38,040	\$42,240	\$45,660	\$49,020	\$52,380	\$55,800
<b>80% AMI</b>	\$39,450	\$45,050	\$50,700	\$56,300	\$60,850	\$65,3530	\$69,850	\$74,350

Source: <https://www.hudexchange.info/programs/home/home-income-limits/>

## CDBG / HOME SCORING CRITERIA

Applications will be awarded points based on the criteria below. When applications have been scored and ranked, HCD will forward a preliminary list of recommended awards to the Mayor and City Council. Applicants will receive notification of the recommendations when this process is completed.

**Low-Moderate Income Benefit - Measurable Outcomes [100 points = 50 points (% LMI benefit) + 50 points (community benefit)]:** Applications will receive points based on measurable outcomes they will report on. Reviewers will look for more than just number of people served, but what was the result of that service. In light of this, a higher number of “people served” in one application over another does not necessarily mean that application will receive more points. The focus will be on both the quality and quantity of the outcome measurement. For example, one LMI household that occupies a new unit of housing will be weighted more than one LMI household receiving a public service benefit.

### **% LMI Benefit by Activity Type (Up to 50 points)**

<b>Activity:</b> CDBG Public Services, Housing, Public Improvements; HOME Homebuyer Assistance	
<b>LMI Beneficiaries % (80% AMI)</b>	<b>Points Available</b>
0%-50%	0 points
51%-60%	10 points
61%-70%	20 points
71%-80%	30 points
81%-90%	40 points
91%-100%	50 points

<b>Activity:</b> HOME Tenant-Based Rental Assistance	
<b>LMI Beneficiaries % (60% AMI)</b>	<b>Points Available</b>
90%-99%	40 points
100%	50 points

<b>Activity:</b> HOME Homebuyer or Rental Development	
<b>LMI Beneficiaries % [80% AMI (Homebuyer); 60% AMI (Rental)]</b>	<b>Points Available</b>
0%-20%	0 points
21%-40%	10 points
41%-60%	20 points
61%-80%	30 points
81%-99%	40 points
100%	50 points

### **Community Benefit (up to 50 points)**

Applicants are required to describe the larger community impact of their activity. How is this activity moving the needle in terms of achieving Missoula’s housing and community development goals? What changes will result in the community as a result of this activity?

Applicants that can provide quantitative and qualitative data that demonstrates this impact will score higher in this category.

**Project Feasibility (100 points)** – Based on organizational capacity, commitment of funding sources, project timeline, outreach / marketing plan, community need, market assessment, site control, and/or other factors, applicant is likely to complete project within the proposed grant period.

**Match (50 points):** Applicants that demonstrate higher non-federal match will receive higher points on their application. In order to earn points in this category, applicants must submit documentation with their application that these matching funds are committed for activities that will take place during the 2019 Program Year (7/1/19 – 6/30/20). Pending match awards will not count toward scoring in this category. In-kind donations of goods and/or services can be used as match provided that the applicant can demonstrate that the applicant would have to pay cash for that cost but for the in-kind donation.

Points Available	Level of Non-Federal Match	Example
0 points	Less than or equal to 20% of proposed CDBG/HOME investment	Proposed CDBG/HOME investment of \$100,000; matching funds less than or equal to \$20,000.
10 points	Greater than 20% and less than or equal to 40% of proposed CDBG/HOME investment	Proposed CDBG/HOME investment of \$100,000 requires \$20,001-\$40,000 in matching funds
20 points	Greater than 40% and less than or equal to 60% of proposed CDBG/HOME investment	Proposed CDBG/HOME investment of \$100,000 requires \$40,001-\$60,000 in matching funds
30 points	Greater than 60% and less than or equal to 80% of proposed CDBG/HOME investment	Proposed CDBG/HOME investment of \$100,000 requires \$60,001-\$80,000 in matching funds
40 points	Greater than 80% and less than 100% or proposed CDBG/HOME investment	Proposed CDBG/HOME investment of \$100,000 requires \$80,001-\$99,999 in matching funds
50 points	Equal to or greater than 100% of proposed CDBG/HOME investment	Proposed CDBG/HOME investment of \$100,000 requires at least \$100,000 in matching funds

**Program Delivery Experience & Capacity (50 points)** – Applicant’s tenure and quality of past program delivery experience demonstrates sufficient capacity to carry out the proposed activity.

- CDBG / HOME activities previously funded by City of Missoula will use past report data to confirm
- If you’re a new grantee or an existing grantee applying for a new area, you must submit third party verification of your program accomplishments.

**Community / HUD Priorities (various points available)**

- **Homelessness (25 points)** – 25 fixed-points if application is specifically focused on homelessness activities and applicant is a participating member in Missoula’s Coordinated Entry System and At-Risk Housing Coalition.
- **Net increase of housing units for LMI households (variable points per unit based on period of affordability, up to 50 points)** Awarded to projects that result in a net increase of permanent housing units that are affordable for LMI households based on period of affordability.

Period of Affordability	Points per unit	Maximum Points Allowed
5 years	3	15
10 years	5	25
15 years or more	10	50

- Preservation of federally-subsidized affordable housing (variable points per unit, up to 50 points)** Homebuyer or rental housing acquisition and/or rehabilitation that preserves periods of affordability for subsidized units with expiring periods of affordability that meet eligibility criteria. Based on period of affordability.

Period of Affordability	Points per unit	Maximum Points Allowed
5 years	3	15
10 years	5	25
15 years or more	10	50

## ADDITIONAL REQUIREMENTS

- 1. *Written Agreement:*** All subrecipients will be required to enter into a written agreement in order to receive CDBG and/or HOME funds. At a minimum, the written agreement will contain required provisions at 2 CFR §200.331 (CDBG and HOME); 24 CFR §570.503 (CDBG); and/or 24 CFR §92.504 (HOME).
- 2. *Records & Reports:*** The following records and reports must be maintained and submitted to the City of Missoula in order to assist the City in meeting its record keeping and recording requirements:
  - ***Equal Employment Opportunity Reports:*** Information on the percentages of women and minorities employed.
  - ***Minority Business Enterprise Report:*** Information on contracts and subcontracts held by contractors or subcontractors that are majority owned by minorities or women and funded in whole or in part with CDBG-HOME funds (as applicable).
  - ***National Objective:*** Information showing compliance with the national objective of benefiting low- and moderate-income individuals or areas.
- 3. *Reimbursement:*** All subrecipient drawdown requests for CDBG-HOME funding will be on a *reimbursement* basis.
- 4. *Other Program Requirements:*** The City and its subrecipients will be required to conform – at a minimum – to the following Federal Laws as applicable:

***Fair Housing:*** Affirmatively furthering fair housing (Public Laws 88-352 and 90-284, Executive Order 11063) and comply with The Fair Housing Act (42 U.S.C. 3601-3620) its implementing regulations (24 CFR Part 100-115). Subrecipients who receive CDBG-HOME funding for housing purposes must designate a representative, who is involved in the project activities for which these CDBG funds have been awarded, as the designated representative to attend qualified fair housing training. The sub-recipient must certify by providing a copy of the attendance certificate that this designated representative has either attended a qualified fair housing training within one year prior to the receipt of funds, or will attend a qualified fair housing training within one year of receipt of funds. For the purposes of this requirement, “qualified fair housing training” means any fair housing training receiving continuing professional credit (CLE, licenses real estate agents or property managers education credit architects education credit, etc.).

***Discrimination:*** Section 109 of the Housing and Community Development Act prohibits discrimination on the grounds of race, color, religion, sex, disability, familial status, or national origin in the uses of CDBG and HOME funds. In addition, discrimination on the grounds of marital status, creed, age and political ideas is prohibited in Montana. The City and its subrecipients will be required to comply with the Montana Human Rights Act (49-2-305, MCA) which prohibits discrimination in the sale or rental of housing, the financing of housing or the provision of brokerage services against any person on the basis of race, color, religion, creed, sex, age, marital status, national origin, handicap or familial status. They will also be required to comply with Missoula City Ordinance 3428, which prohibits discriminatory practices in the areas of employment, public accommodations and housing on the basis of race, color, national origin, ancestry, religion, creed, sex, age, marital or familial status, physical or mental disability, sexual orientation, gender identity or gender expression.

**Labor Standards:** Federal Davis-Bacon Act Wage Rates apply to public construction work in excess of \$2,000. For CDBG Housing, Davis-Bacon is triggered when the activity include 8 or more total housing units. For HOME, Davis-Bacon is triggered when the activity involves 12 or more HOME-assisted units. Additional federal labor standards may apply to the activity.

**Environmental Review:** The City of Missoula will assume responsibility for completing the environmental review requirements for each CDBG assisted activity. From the moment that the applicant submits its CDBG-HOME application, applicant may not obligate or expend any HUD or non-HUD funds on the proposed activity until the City of Missoula completes an environmental review and issues a release of funds (including a HUD Authority to Use Grant Funds, if applicable).

**Employment and Contracting Opportunities:** Subrecipient organizations will be required to comply with Executive Order 11246 prohibiting discrimination in employment on federally assisted construction contracts and Section 3 of the Housing and Urban Development Act of 1968 requiring, to the greatest extent feasible, employment opportunities for residents from lower-income areas.

**Lead-Based Paint:** The use of lead-based paint is prohibited and rehabilitation work on residential structures built prior to 1978 must be conducted according to HUD regulations on lead-based paint. Applicant must document compliance with HUD Lead-Based Paint regulations, including if their activity is exempt.

**Use of Debarred, Suspended, or Ineligible Subrecipients and Contractors:** CDBG/HOME funds cannot be used to provide funds to subrecipients and/or employ debarred contractors. Provision of a DUNS number and registration with sam.gov is required from all subrecipients and contractors before their work may begin. Subrecipients must submit documentation from sam.gov to HCD demonstrating that no debarred subrecipients or contractors will undertake activities using CDBG/HOME funds. All CDBG-HOME subrecipients must also maintain and ACTIVE registration in sam.gov in order to receive CDBG and HOME funds.

**Uniform Administrative and Cost Principles:** All subrecipients will be required to comply with the policies, guidelines, and requirements of 2 CFR 200.

**Conflict of Interest:** No person who is an employee, grant consultant officer, elected official, or appointed official to the City or of any public agency receiving funds, who exercises and functions or responsibility with respect to CDBG-HOME funds or who are in a position to participate on a decision-making process or gain inside information with regard to such activities, may obtain a personal financial interest or benefit from the activity, or have an interest in any contract with respect thereto, or the proceeds there under, either for themselves, or those with whom they have family or business ties during their tenure or for one year thereafter. Subrecipients are encourage to review conflict of interest requirements at 24 CFR 570.611 (CDBG); 24 CFR 92.356 (HOME); and 2 CFR 200 (CDBG and HOME).

**Displacement and Relocation:** The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act or URA) is a Federal law that establishes minimum standards for Federally funded programs and projects that require the acquisition of real property (real estate) or that displace persons from their homes, businesses, or farms. The Uniform Act's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for Federal or Federally-funded projects. Section 104(d) of the Housing and Community Development (HCD) Act provides minimum requirements for CDBG-HOME funded programs or projects when units that are part of a community's low-income housing supply are demolished or converted to a use other than



low- or moderate-income dwellings. Applicants must begin documenting compliance with these laws beginning with the date of its CDBG-HOME application or the date of the initiation of negotiations, whichever is earlier. Consult HUD Handbook 1378 for more information: [https://www.hud.gov/program\\_offices/administration/hudclips/handbooks/cpd/13780](https://www.hud.gov/program_offices/administration/hudclips/handbooks/cpd/13780)

**Procurement:** All CDBG-HOME subrecipients are required to follow federal procurement provisions at 2 CFR 200.317-326 (as applicable) as well as any applicable procurement standards established by Montana Code Annotated and the City of Missoula.

5. **Religious Organizations (Special Conditions):** Applicants affiliated with religious organizations that are performing activities which have been determined by HUD to be free from sectarian influences will be required to agree to HUD’s “Special Conditions for Religious Organizations.”

Please contact Montana James at [mjames@ci.missoula.mt.us](mailto:mjames@ci.missoula.mt.us) or 406.552.6396 and/or Colin Woodrow [cwoodrow@ci.missoula.mt.us](mailto:cwoodrow@ci.missoula.mt.us) or 406.552.6394 for questions.

## REFERENCE MATERIALS

### **Community Development Block Grant | 24 CFR 570**

<https://www.ecfr.gov/cgi-bin/text-idx?SID=2008e9afa604f2b4f1802eadf999be3a&mc=true&node=pt24.3.570&rgn=div5>

### **HOME Investment Partnerships Program | 24 CFR 92**

<https://www.ecfr.gov/cgi-bin/text-idx?SID=ade610f79ca0c679440b74b931560f03&mc=true&node=pt24.1.92&rgn=div5>

### **Uniform Administrative Requirements, Cost Principles, Audit Requirements | 2 CFR 200**

<https://www.ecfr.gov/cgi-bin/text-idx?SID=2327a0b9a32829a371155f817e8c154e&mc=true&node=pt2.1.200&rgn=div5>

### **Basically CDBG for Entitlements**

<https://www.hudexchange.info/resource/19/basically-cdbg-training-guidebook-and-slides/>

This training was developed to guide and assist Community Development Block Grant (CDBG) Entitlement grantees and subrecipients in the implementation of their programs.

### **Building HOME: A HOME Program Primer - Training Manual and Slides**

<https://www.hudexchange.info/resource/2368/building-home-a-home-program-primer/>

This training provides an overview of the HOME Program. It covers all program activities, including homeowner and homebuyer, rental housing, tenant-based rental assistance, and CHDO activities. This is a comprehensive introduction to the HOME Program, as well as an important refresher on the basic elements of the program.

### **Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities**

<https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>

This Guide is intended for public officials and citizens seeking to understand what activities are eligible to be assisted under the Community Development Block Grant (CDBG) Entitlement Program and to guide them in making wise choices among certain alternatives available within the program for carrying out particular activities.

### **HOME and CDBG Guidebook**

<https://www.hudexchange.info/resources/documents/HOME-CDBGGuidebook.pdf>

Comprehensive review of how HOME and CDBG may be used together to foster community, housing and economic development.

### **HUD Exchange**

CDBG - <https://www.hudexchange.info/programs/cdbg-entitlement/>

HOME - <https://www.hudexchange.info/programs/home/>

**CDBG Board Resolution Template**

**A RESOLUTION AUTHORIZING AN APPLICATION FOR  
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS AND A COMMITMENT OF MATCHING  
FUNDS**

WHEREAS, in the City of Missoula there is a serious need for **(describe need being addressed)**; and

WHEREAS, **(Name of applicant)** is applying to the City of Missoula for Community Development Block Grant (CDBG) funds – a program of the US Department of Housing and Urban Development (HUD) – to **(describe project addressing need)**; and

WHEREAS, funds in addition to those available from CDBG will be necessary for the proposed project; and

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of **(Name of applicant)** authorizes the staff to prepare an application for CDBG funds and a Board Officer to submit such application; and

BE IT FURTHER RESOLVED, that **(Name of applicant)** agrees to conform with the regulations, statutes, terms and conditions that govern the Community Development Block Grant program; and

BE IT FURTHER RESOLVED, that **(Name of applicant)** will not expend or obligate any HUD or non-HUD funds on **(Name of project)** until the City of Missoula completes an Environmental Review and issues a Release of Funds letter, including a HUD Authority to Use Grant Funds, if applicable; and

BE IT FURTHER RESOLVED, THAT the Board of Directors authorizes the commitment of \$ \_\_\_\_\_ in **(Name of applicant)**'s own unrestricted revenue as matching funds to support **(Name of project)**.

Signed: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**HOME Board Resolution Template**

**A RESOLUTION AUTHORIZING  
AN APPLICATION FOR CITY OF MISSOULA  
HOME INVESTMENT PARTNERSHIPS PROGRAM FUNDS AND  
A COMMITMENT OF MATCHING FUNDS**

WHEREAS, in the City of Missoula there is a serious need for **(describe need being addressed)**; and

WHEREAS, **(Name of applicant)** is applying to the City of Missoula for Home Investment Partnerships Funds funds – a program of the US Department of Housing and Urban Development (HUD) – to **(describe project addressing need)**; and

WHEREAS, funds in addition to those available from HOME will be necessary for the proposed project; and

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of **(Name of applicant)** authorizes the staff to prepare an application for HOME funds and a Board Officer to submit such application; and

BE IT FURTHER RESOLVED, that **(Name of applicant)** agrees to conform with the regulations, statutes, terms and conditions that govern the HOME Investment Partnerships Program; and

BE IT FURTHER RESOLVED, that **(Name of applicant)** will not expend or obligate any HUD or non-HUD funds on **(Name of project)** until the City of Missoula completes an Environmental Review and issues a Release of Funds letter, including a HUD Authority to Use Grant Funds, if applicable; and

BE IT FURTHER RESOLVED, THAT THE Board of Directors authorizes the commitment of \$\_\_\_\_\_ in **(Name of applicant)**'s own unrestricted revenue as matching funds to support **(Name of project)**.

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_