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Community Development Division

Community Development Block Grant Program
(CDBG)

2016

Large-scale Multi-Family Housing Development and Rehabilitation
Application Guidelines

Applications due August 22, 2016

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Alternative accessible formats of this document will be provided upon request. If you need this document in an alternative format, such as large print, Braille, audio tape, or computer diskette, please contact the Montana Department of Commerce Community Development Division at (406) 841-2770, TDD (406) 841-2702, or the Relay Services number, 711.

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PROJECT GRANT APPLICATION GUIDELINES FOR
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)
LARGE-SCALE MULTI-FAMILY HOUSING DEVELOPMENT AND REHABILITATION

I. Introduction

The Community Development Block Grant Program (CDBG) is a U.S. Department of Housing and Urban Development (HUD) program designed to help communities provide decent housing, a suitable living environment, and expand economic opportunities for the state's low- and moderate-income (LMI) residents**.** The State of Montana receives an annual allocation of federal funds from HUD for CDBG grants and program administration through the Montana Department of Commerce (Commerce). The CDBG program helps local governments complete activities such as drinking water systems, wastewater treatment facilities, community facilities (nursing homes or Head Start centers, for example), job creation and retention, and housing. CDBG Program application guidelines, the project grant administration manual, and other relevant information and resources are available on the Department of Commerce (Commerce) website http://comdev.mt.gov/Programs/CDBG. Interested persons may also e-mail CDBG Program staff at DOCCDBG@mt.gov or call staff at (406) 841-2770 or Montana Relay Service at (406) 841-2702 or 711 regarding any questions they may have about the CDBG Program.

The State of Montana administers the CDBG Program through five distinct grant opportunities – planning; community and public facilities; economic development; large-scale multi-family housing development and rehabilitation; and affordable housing preservation. These Large-scale Multi-Family Housing Development and Rehabilitation application guidelines establish the process for obtaining CDBG financial assistance for housing development activities. The application form for these activities and required application materials are contained within this guide. The outline of the preliminary architectural report and preliminary engineering report can be found on the Commerce website at: http://comdev.mt.gov/Programs/CTAP/Toolkit/Publications under "Technical Document Guidelines." Please note that Montana's Uniform Application for Housing Loan, Grant, and Tax Credit Programs is found in a separate publication, available online at: http://housing.mt.gov/UniformApplication.

CDBG has separate application guidelines located on Commerce's website http://comdev.mt.gov/Programs/CDBG for the other CDBG grant opportunities.

II. Eligible Applicants

Eligible applicants for CDBG assistance include Montana cities, towns, and counties with populations under 50,000 (currently all Montana cities, towns and counties except Billings, Great Falls, and Missoula, which each receive a CDBG entitlement allocation directly from HUD). State CDBG funds may be used to fund an activity located within the boundaries of an entitlement community if the project primarily benefits residents of a larger area or region beyond the jurisdictional limits of the entitlement community. Tribal governments are not eligible applicants for state CDBG funds, but are eligible for Indian CDBG funds directly from HUD. Local governments may apply for and use CDBG funds for project activities predominantly benefitting residents of a tribal reservation.

Local governments may apply for CDBG grants for affordable large-scale multi-family housing development and rehabilitation projects by non-profit organizations, so long as such housing is available for use by eligible clientele. In such cases, the local government is the applicant and grantee and decides the nature and extent of involvement in CDBG-assisted projects, and establishes project roles and responsibilities in a project management plan. Non-profit partners must have an Internal Revenue Service 501(c)(3) or 501(c)(4) non-profit designation to be an eligible subrecipient of CDBG funds. Potential partner organizations may include but are not limited to:

For-profit developers

Non-profit organizations

Local housing authorities
Human Resource Development Councils
Community Housing Development Organizations

Each eligible local government jurisdiction may apply once per application cycle for each of the categories of CDBG grants as long as the applicant does not have an open CDBG project within that same category that was awarded more than four (4) years ago. The applicant's capacity and progress on open CDBG projects will be taken into consideration during application review (see Ranking Criterion 6 in Appendix A for more information on documenting capacity to implement and manage the project).

III. Eligible Projects

The CDBG program requires projects to meet HUD's national objective to benefit persons of low- and moderate-income (LMI). As indicated in the 2015-2020 Consolidated Plan, Montana's state objectives seek to provide these benefits by improving the safety and livability of neighborhoods and improving access to quality facilities, infrastructure, and services. Accordingly, Montana's CDBG funding is prioritized to projects that best meet these national and state objectives. See Appendix B for more details about the national and state objectives.

Recommendations of CDBG funding are based, in part, upon an analysis of the applicant's proposed level of local financial participation and the proposed operator's financial solvency; however the maximum grant award will not exceed $450,000.

A. Affordable Housing Development

Affordable housing development projects involve the new construction or rehabilitation of multi-family housing, whether for rent or purchase by persons of low to moderate income. Eligible project activities include, but are not limited to:

- Acquisition of land and structures;
- Demolition of existing substandard housing that is not suitable for rehabilitation, or of non-residential structures that are not suitable for conversion to housing units;
- Site improvements, such as landscaping, paving, sidewalks, curbs and gutters, utilities, etc.;
- Construction of new housing units;
- Rehabilitation of existing substandard housing that is suitable for rehabilitation
- Conversion of existing non-housing structures into housing units

"Substandard suitable for rehabilitation" means any housing unit or a building containing housing units where the estimated cost of making necessary replacements and repairs is less than 75 percent of the estimated cost of new construction of a comparable unit or units.

"Substandard not suitable for rehabilitation" means any housing unit or a building containing housing units where the estimated cost of making the needed replacements and repairs is greater than or equal to 75 percent of the estimated cost of new construction of a comparable unit or units.

All projects proposing the construction of new housing units must be completed through a non-profit partner organization. All housing units constructed or rehabilitated with CDBG funds must meet Uniform Physical Conditions Standard (UPCS) or Housing Quality Standards (HQS), and comply with all zoning ordinances and uniform codes adopted by the state and local government.

B. Additional Considerations

Grantees are strongly encouraged to promote equitable, affordable housing by designing and proposing projects for

CDBG Large-scale Multi-Family Housing Development and Rehabilitation funds that meet the following *2015-2020 Montana Consolidated Plan* goals to the maximum extent possible:

- Use energy-efficient design to help advance solar deployment and other on-site renewable energy installations in affordable housing that is aligned with the Federal Renewable Energy Target;
- Locate affordable housing in areas where existing investment in infrastructure, facilities, and services will leverage multiple economic, environmental, and community objectives;
- Prioritize the development of new housing or rehabilitate existing housing within walkable neighborhoods and neighborhoods served by public transportation systems, particularly for the disabled and the elderly;
- If proposing demolition of existing substandard housing units, replace those units with an equal or greater number of housing units;
- Adopt smoke-free requirements in all housing units constructed or rehabilitated with CDBG funds; and
- Include the three basic visitability features that increase access to friends and family for individuals with disabilities (a zero-step entrance, doors with 32 inches of clear passage space, and a wheelchair-accessible bathroom on the main floor).

C. Eligible and Ineligible Project Expenses

Project activities eligible for reimbursement with CDBG funding include, but are not limited to:

- Expenses that directly relate to construction or rehabilitation activities that implement the scope of work identified in the CDBG grant contract, including materials, labor, land acquisition, and permanent furnishings, equipment, and fixtures;
- Professional services that directly relate to design activities that implement the scope of work identified in the CDBG grant contract;
- Repayment of interim financing directly related to project activities that implement the scope of work identified in the CDBG grant contract;
- Legal costs and fees; and
- Direct grant administration expenses, up to a maximum 10% of the total CDBG budget for the project.

Expenses that are not eligible for CDBG grant funding include, but are not limited to:

- Operation and maintenance costs (such costs are eligible to be paid with program income generated from affordable housing rental units constructed or rehabilitated with CDBG funds, however);
- Temporary furnishings, fixtures, or equipment; or
- Any unauthorized costs incurred prior to the date identified in the Notice of Award letter.

Applicants that plan to commence a project before it has been awarded CDBG grant funding should discuss their plans with program staff to ensure they do not take any steps that could violate the various federal, state, and programmatic laws and requirements that apply to projects involving CDBG funds. Some project activities, such as land acquisition, are subject to CDBG regulations even if performed prior to submitting an application for CDBG funding or receiving an award of CDBG funds. **If CDBG program requirements are not followed, the project may become ineligible for CDBG funding.**

IV. <u>Application Submission</u>

A. Public Notice and Participation

To receive CDBG funds, both Commerce and applicants for grants must carry out citizen participation in a manner that complies with the 2015-2020 Montana Consolidated Plan. For a proposed project to be eligible for CDBG funds, the applicant must hold a minimum of two public hearings prior to submission of the CDBG application.

The first public hearing provides a forum for considering overall community needs and potentially competing or alternative proposals for CDBG funding within the local government's jurisdiction. In order to ensure the public participation is relevant and timely, the overall community needs hearing should be within 12 months prior to the date of application.

The second public hearing must be held once the applicant has selected the specific proposed project for CDBG funding. The purpose of the second public hearing is to give citizens and potential beneficiaries of the proposed CDBG project (especially LMI persons) or residents of the project area adequate opportunity to consider the potential impacts and benefits of the community's proposed project and to comment on it, before the community submits the application.

For more detailed information regarding the public notice and participation requirements of the CDBG Program, see Ranking Criterion 4 in Appendix A and the sample Public Notices in Appendix C.

B. Application Deadline and How to Submit

Applicants for CDBG Large-scale Multi-Family Housing Development and Rehabilitation funding must submit one (1) hard copy and one (1) electronic copy of the full CDBG application submittal as described below. The hard copy of the full CDBG application submittal must be postmarked or delivered to the Department of Commerce on or before July 20, 2016, at:

Community Development Division
Montana Department of Commerce
301 South Park Ave
P.O. Box 200523
Helena, MT 59620-0523

The electronic copy of the full CDBG application submittal may be submitted by CD, DVD, compressed file by email, or preferably through the State File Transfer service at https://transfer.mt.gov. To use the latter, create an account in the transfer service, upload the files, and email the transfer to DOCCDBG@mt.gov no later than the close of business on July 20, 2016. Please include the name of the grantee in files uploaded to the transfer service.

C. Application Submittal Contents

The completed CDBG application submittal should be organized as follows:

1. Table of Contents

2. Uniform Application for Montana Housing Loan, Grant, and Tax Credit Programs

Each applicant must provide a completed copy of the current *Montana's Uniform Application for Housing Loan, Grant, and Tax Credit Programs* is found in a separate publication, available online at: http://housing.mt.gov/UniformApplication.

If a local government is applying on behalf of a non-profit or for-profit organization that owns and operates, or will own and operate, a proposed facility or project, the financial information on the Uniform Application must include the information for the organization as well as a copy of the organization's IRS Form 990 (if non-profit organization) or tax returns (for-profit corporation) for the three most recent years of operation.

3. Responses to CDBG Ranking Criteria

CDBG applicants are required to submit narrative responses that describe the relationship of their proposed CDBG project to each of the ranking criteria detailed in Appendix A, except where otherwise noted. Each application will be evaluated under the CDBG ranking criteria and will receive points depending upon its overall response to each criterion, relative to local capacity and resources and in comparison with the other applications submitted. Each applicant should identify the source of supporting data for any statements made in the application, and provide documentation when applicable.

The list of general definitions and scoring levels are used as a guide in determining scores for each criterion. The CDBG ranking criteria are listed below and indicate the maximum score that can be obtained for each.

	Maximum Possible Points
Ranking Criterion # 1 (Community Planning)	**175 Points**
Ranking Criterion # 2 (Need for Project)	**175 Points**
Ranking Criterion # 3 (Project Strategy)	**150 Points**
Ranking Criterion # 4 (Community Efforts and Citizen Participation)	**100 Points**
Ranking Criterion # 5 (Benefit to Low and Moderate Income Persons)	**200 Points**
Ranking Criterion # 6 (Implementation and Management)	**175 Points**
TOTAL POSSIBLE POINTS	**975 Points**

A Large-scale Multi-Family Housing Development and Rehabilitation application must receive a minimum score of 585 points in order to be eligible to receive CDBG funds. For ease of reference, any documentation or exhibits related to the applicant's response to a CDBG ranking criterion should be placed with the applicant's narrative response to that criterion.

The following general definitions are applied to the ranking criteria relative to the overall quality of the applicant's response or situation and relative to the ranking criteria and applicable special requirements.

LEVEL 5: The applicant provides a very complete narration that thoroughly addresses the overall criterion, applicable ranking issues, and minimum requirements, including very complete substantive supporting documentation to support its claims. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered exemplary, particularly innovative, or to be extremely consistent with the intent of the ranking criterion. There are no ranking issues of any significance that were not completely addressed.

LEVEL 4: The applicant provides a solid narration addressing the overall criterion, applicable ranking issues, and minimum requirements, with strong documentation to support its claims. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered above average, very thorough, or to be very consistent with the intent of the ranking criterion. A "LEVEL 4" score would not reflect the level of excellence or be as consistent with the intent of the ranking criterion as a "LEVEL 5" would be. The application may not have completely addressed some ranking issues, but these were considered to be minor concerns.

LEVEL 3: The applicant provides an adequate narrative addressing the overall criterion, applicable ranking issues, and minimum requirements, with acceptable documentation to support its claims. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered average, adequate, or to be generally consistent with the intent of the ranking criterion. The application meets the minimum requirements for responding to the criterion and has documented compliance with the special requirements that are pertinent to the ranking criterion; however, the application may not have adequately considered some ranking issues that may be potentially important.

LEVEL 2: The applicant provides some narration addressing the overall criterion, ranking issues, and minimum requirements, but may have provided weak or inadequate responses and/or documentation to clearly or completely support its claims or compliance with a requirement. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered below average, inadequate, or not entirely consistent with the intent of the ranking criterion. The application has not met all the minimum requirements for responding to the ranking criterion or has not complied with all the special requirements that are pertinent to the ranking criterion. The application may not have been complete or did not consider or adequately address some ranking issues that are considered to be important.

LEVEL 1: The application presents serious weaknesses in the narrative responses to the ranking criterion, ranking issues, and lack critical supporting documentation, or fails to adequately document compliance with one or more of the general, threshold CDBG requirements or a critical special requirement for the category applied for. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered very weak, seriously inadequate or inconsistent with the intent of the ranking criterion. The application either did not address or did not provide sufficient information regarding several critical ranking issues.

LEVEL 0: The application fails to provide a response of any kind or does not meet a ranking criterion for the CDBG program.

4. Preliminary Engineering Report or Preliminary Architectural Report

The applicant must provide a copy of a Preliminary Engineering Report (PER) or Preliminary Architectural Report (PAR) with the CDBG application, depending on the type of project proposed. These reports describe the technical scope of the problem to be addressed by the project, as well as the components and estimated costs of the proposed development, the condition of the existing housing, and the alternatives available to resolve the identified problems. These reports must meet the outlines adopted by the Department, which are available online at: http://comdev.mt.gov/Portals/95/shared/TSEP/docs/Planning/Forms/PEROutline.pdf and http://comdev.mt.gov/Portals/95/shared/TSEP/docs/Planning/Forms/CDBGPARGuide.pdf

If a PAR or PER was submitted as part of previously unsuccessful application and has been modified for the current proposed project, the CDBG applicant must identify new or revised information and any other modifications to the PAR or PER. Unless the applicant demonstrates that the application has been modified since a prior submission, the CDBG program may not provide a new ranking of the applicant's proposed project.

5. Resolution to Authorize Submission of a CDBG Application

Each application for CDBG funds must be accompanied by a copy of a resolution formally adopted by the applicant, authorizing the submission of the CDBG application and authorizing the applicant's chief elected official or chief executive officer to act on its behalf to provide additional information as may be requested. The resolution must also indicate the governing body's intent to commit to any funding for the project that will be provided by the applicant. See Appendix D for more information and a sample Resolution.

6. Certification for Application to the CDBG Program

Each applicant must agree to comply with all applicable state and federal laws and regulations in implementing the project using CDBG funds. The application must be accompanied by a copy of a Certification for Application, signed by the chief elected official or chief executive officer. See Appendix E for more information and the Certification for Application that must be signed.

7. Residential Anti-displacement and Relocation Assistance Plan

Each application for CDBG funds must be accompanied by a Residential Anti-displacement and Relocation Assistance Plan, which provides the policy that the applicant will follow if project activities trigger the federal Uniform Relocation Act. See Appendix F for more information and a sample Residential Anti-displacement and Relocation Assistance Plan.

8. Draft Project Implementation Schedule

Each application for CDBG funds must be accompanied by a draft project implementation schedule that describes the overall schedule for project completion, including engineering or architectural and construction. See Appendix H for more information and a sample Project Implementation Schedule.

9. Draft Project Management Plan

Each application for CDBG funds must be accompanied by a draft project management plan that identifies all the project partners, capacity, responsibilities, and roles. See Appendix H for a Project Management Plan template.

V. Application Review Process

Community Development Division staff reviews CDBG applications for both technical feasibility and the extent to which the proposed project relates to each of the CDBG ranking criteria. Commerce may request additional information when reviewing an application in order to clarify responses or ensure the project meets national and state CDBG objectives. The Director of the Montana Department of Commerce makes all final decisions on grant awards.

VI. Administrative Procedures and Requirements

Please see the CDBG Grant Administration Manual on the Commerce website for information on how to administer a CDBG project (http://comdev.mt.gov/Programs/CDBG/Housing/GrantAdmin). Successful applicants must submit the following items before executing a contract with Commerce:

1. Signature Certification form;
2. Designation of Depository form;
3. Updated budget;
4. Updated implementation schedule;
5. Firm commitment of all non-CDBG funds;
6. Final executed project management plan; and
7. Documentation of a complete environmental review process.

In accordance with the national and state CDBG objectives, Commerce may not be able to approve amendments to the scope of a project or budget affecting priority activities that would materially affect the intent or circumstances under which the application was originally ranked by Commerce staff and awarded by the Director. If a grantee requests a modification that significantly affects the scope of work, budget, or implementation schedule, Commerce may temporarily suspend project reimbursements while reviewing the modification request.

APPENDIX A

CDBG Ranking Criteria

A. Introduction

CDBG applicants are required to submit narrative responses that describe the relationship of their proposed CDBG project to each of the ranking criteria, except where otherwise noted. Some priorities may be scored using the information provided in the *Preliminary Engineering Report (PER*) or the *Preliminary Architectural Report (PAR)*. For ranking criteria #2 and #3, applicants are not required to provide a narrative response if the PER or PAR addresses the questions, unless there is a need to provide additional information. Applicants must provide a response to each question and may use as many pages as necessary to adequately explain the proposed project.

In order to avoid unnecessary duplication, the applicant may reference other pertinent portions of the application or appendices in the narrative responses to the priorities. However, the applicant should not reference another portion of the application, such as the PER or PAR, without including a narrative statement that provides at least a summary of what is being referenced. For example, an applicant should not simply state, "See page 4 of the Master Plan" as a response to a ranking criteria.

B. Ranking Criteria

Each application will be evaluated under the CDBG ranking criteria and will receive points depending upon its overall response to each criterion, relative to local capacity and resources and in comparison with the other applications submitted. The list of general definitions and scoring levels are used as a guide in determining scores for each criterion.

The CDBG ranking criteria are listed below and indicate the maximum score that can be obtained for each.

	Maximum Possible Points
Ranking Criterion # 1 (Community Planning)	**175 Points**
Ranking Criterion # 2 (Need for Project)	**175 Points**
Ranking Criterion # 3 (Project Strategy)	**150 Points**
Ranking Criterion # 4 (Community Efforts and Citizen Participation)	**100 Points**
Ranking Criterion # 5 (Benefit to Low and Moderate Income Persons)	**200 Points**
Ranking Criterion # 6 (Implementation and Management)	**175 Points**
TOTAL POSSIBLE POINTS	**975 Points**

A Large-scale Multi-Family Housing Development and Rehabilitation application must receive a minimum score of 585 points in order to be eligible to receive CDBG funds. Failure to respond to a criterion or to comply with a pertinent and important application requirement will result in no points being awarded for that criterion. For ease of reference, any documentation or exhibits related to the applicant's response to a CDBG ranking criterion should be placed in the application with the applicant's narrative response to that criterion.

C. Scoring Level Definitions

Criteria 1, 4, and 6.

The following general definitions would be applied to all non-quantitative ranking criteria relative to the overall quality of the applicant's response or situation relative to the ranking criteria and applicable special requirements. The level actually assigned will also depend upon the applicant's specific responses to the overall ranking criterion and the applicable ranking issues listed under each criterion.

LEVEL 5: In order for an application to receive a "LEVEL 5" it would have to have provided a very complete narration that thoroughly addressed the overall criterion, applicable ranking issues, and minimum requirements, including very complete substantive supporting documentation to support its claims. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered exemplary, particularly innovative, or to be extremely consistent with the intent of the ranking criterion. There were no ranking issues of any significance that were not adequately addressed.

LEVEL 4: In order for an application to receive a "LEVEL 4" it would have to provide a very thorough narration addressing the overall criterion, applicable ranking issues, and minimum requirements, with strong documentation to support its claims. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered above average, very thorough, or to be very consistent with the intent of the ranking criterion. A "LEVEL 4" score would not reflect the level of excellence or be as consistent with the intent of the ranking criterion as a "LEVEL 5" would be. The application may not have completely addressed some ranking issues, but these were considered to be minor concerns.

LEVEL 3: In order for an application to receive a "LEVEL 3" it would have provided an adequate narrative addressing the overall criterion, applicable ranking issues, and minimum requirements, with acceptable documentation to support its claims. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered average, adequate, or to be generally consistent with the intent of the ranking criterion. The application meets the minimum requirements for responding to the criterion and has documented compliance with the special requirements that are pertinent to the ranking criterion; however, the application may not have adequately considered some ranking issues that were considered to be potentially important.

LEVEL 2: In order for an application to receive a "LEVEL 2" it would have provided some narration addressing the overall criterion, ranking issues, and minimum requirements, but may have provided weak or inadequate responses and/or documentation to clearly or completely support its claims or compliance with a requirement. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered below average, inadequate, or not entirely consistent with the intent of the ranking criterion. The application has not met all the minimum requirements for responding to the ranking criterion or has not complied with all the special requirements that are pertinent to the ranking criterion. The application may not have been complete or did not consider or adequately address some ranking issues that were considered to be important.

LEVEL 1: In order for an application to receive a "LEVEL 1" it would have serious weaknesses in its narrative responses to the ranking criterion, ranking issues, and lack critical supporting documentation, or would fail to adequately document compliance with one or more of the general, threshold CDBG requirements or a critical special requirement for the category applied for. The Applicant's response to the ranking criterion (or the Applicant's actions or situation relative to the ranking criterion) is considered very weak, seriously inadequate or inconsistent with the intent of the ranking criterion. The application either did not address or did not provide sufficient information regarding several critical ranking issues.

LEVEL 0: In order for an application to receive a "LEVEL 0" it would have failed to provide a response of any kind or would not meet a general statutory threshold requirement for the CDBG program that is related to the ranking criterion.

Criteria 2 and 3

CDBG applicants are required to submit narrative responses that describe the relationship of their proposed CDBG project to each of the ranking criteria, except where noted otherwise. Some priorities may be scored using the information provided in the *Preliminary Engineering Report (PER)* or the *Preliminary Architectural Report (PAR)*. For ranking criteria #2 and #3, applicants are not required to provide a narrative response if the accompanying PER/PAR addresses the questions, unless there is a need to provide additional information. Applicants must provide a response to each question and are encouraged to be succinct and not repetitive.

In order to avoid unnecessary duplication, the applicant may reference other pertinent portions of the application or appendices in the narrative responses to the priorities. However, the applicant should not reference another portion of the application, such as the PAR, without including a narrative statement that provides at least a summary of what is being referenced. For example, an applicant should not simply state, "See page 4 of the Master Plan" as a response to a ranking criteria.

RANKING CRITERION #1	Community Planning	125 Possible Points

The Community Planning criterion considers the following, relative to the capacity of the applicant and other applications:

- The adequacy and thoroughness of the planning process used by the applicant to identify overall community development and housing needs, including the needs of LMI persons, and the activities or actions it plans to meet the identified needs;
- The extent to which the proposed project is consistent with the applicant's community development objectives, as well as the National and State Objectives (Appendix B) for the CDBG Program;
- Whether the applicant has provided a reasonable rationale for selecting the proposed CDBG project over other community development and housing needs that were identified;
- The degree to which the applicant has considered the needs of LMI and other special needs residents and how the proposed project will benefit or impact those populations;
- Whether the applicant has developed and uses its planning documents as a springboard for action in its community;
- The extent to which local citizens have participated in the preparation of plans for the future development of the community, especially preparation of the community Growth Policy and similar plans addressing community development and revitalization needs; and
- The extent to which planning supports community resilience through affordable housing, public works investments, vital employment centers, and the environment.

Criterion #1 Questions

1. Describe and document the community's on-going, long-term commitment to housing by:
   a. Preparing and adopting a Growth Policy in accordance with Section 76-1-601, MCA, which includes the community's housing goals and objectives; maps and text describing an inventory of housing needs of the community; the projected trends of housing needs of the community over the life of the Growth Policy; and a description of policies, regulations, and other measures to be implemented to achieve the community's housing goals and objectives; and
   b. Implementing the housing goals and objectives identified in the adopted Growth Policy through policies, regulations, other plans, or other measures in support of housing, such as zoning, subdivision, design standards, community education and outreach, inclusionary housing incentives, etc.

2. Describe the extent to which the applicant has identified, discussed, or planned for its housing needs in any other long-range community plans (master plan, neighborhood plan, housing plan, needs assessment, CEDS, etc.)?

3. Has the community developed a Capital Improvements Plan (CIP) consistent with the adopted Growth Policy that considers public infrastructure needs in light of identified housing needs in the jurisdiction?

4. What was the applicant's process and rationale for selecting the proposed affordable housing development project over other community development needs, including how the proposed project is supported through long range community planning? What specific goals, policies, objectives, or implementation strategies adopted by the applicant support the proposed project?

5. Describe the extent to which the applicant's community planning process and long-range community plans affirmatively further fair housing.

6. Has the applicant identified any significant patterns or concentrations of lower income households or groups of other disadvantaged persons within the community? How has the applicant identified, discussed, or planned for the specific housing needs of these persons? Does the applicant show how the proposed project would address these patterns or concentrations, or especially benefit or impact these residents?

7. Describe the efforts the applicant has made to engage residents or otherwise encourage citizen participation in the development of the Growth Policy or other planning efforts to identify, discuss, or plan for housing needs in the jurisdiction?

8. Describe the public and private sector agencies, groups, and organizations the applicant involved in the planning process, including those representing disadvantaged persons in the community.

9. Describe and document the extent to which the applicant:
   a. Comprehensively plans for community resilience through the availability of affordable housing, investment in public works, creating a diverse economy, and protecting the environment;
   b. Prioritizes funding toward existing community revitalization to improve the efficiency of public works investments while safeguarding rural landscapes and natural resources;
   c. Enhances the unique and resilient characteristics of the community by investing in healthy, safe, and walkable neighborhoods;
   d. Actively supports the rehabilitation of existing housing units, particularly for those with disabilities and the elderly; and
   e. Prioritizes the development or rehabilitation of community facilities and services, particularly those serving the disabled and the elderly, in walkable neighborhoods or where served by public transportation systems.

10. Did the applicant provide any other pertinent information that could improve the application's score for this ranking criterion?

Data regarding population characteristics, housing, and other community factors is available through the Montana Census and Economic Information Center (CEIC) at http://ceic.mt.gov/

Additional considerations for this ranking criterion:

A Special Note to Counties:

The county governing body is the appropriate, eligible applicant for CDBG projects intended to:

- *resolve problems within the unincorporated jurisdiction of a county;*
- *resolve problems that are truly countywide, regardless of jurisdiction; or*
- *assist a non-profit entity (such as a Human Resource Development Council) which serves county residents.*

The applicant's assessment of existing needs made at the first public hearing must take the entire applicant's jurisdiction into account and not solely a specific sub-recipient or specific area within the jurisdiction. In addition, the Resolution to Authorize Submission of a CDBG Application contained in these guidelines (Appendix D) must be signed by an elected official of the unit of general local government.

Any CDBG application submitted by a county on behalf of a sub-recipient or unincorporated community should describe:

- *the county's overall, county-wide housing needs (including the unincorporated geographic area of the county); and*
- *the particular housing needs of the entity on whose behalf the county is applying.*

The description of the needs assessment process should cover, at a minimum, all of the basic CDBG project categories:

- *economic development,*
- *housing, and*
- *public facilities.*

Community Needs Assessment and Planning Processes

The CDBG Program requires each local government applicant for a CDBG Public Facilities or Housing project to utilize public planning processes that assess:

- the applicant's community development needs, including the needs of LMI persons; and
- the priorities and identify resulting activities it intends to accomplish in order to meet the identified community development needs.

Montana's CDBG Program intends that governments take full advantage of their local planning programs so as not to duplicate their local planning efforts solely for the purpose of complying with the CDBG community needs assessment requirement. The preparation and adoption of a growth policy, and the public participation component that goes hand in hand with its creation, is the process by which a local government should identify a community's long-term needs respective to housing.

Additional planning efforts and public outreach strategies are often utilized by communities, to support and/or inform their long range planning efforts. Many counties and multi-county areas have prepared a Comprehensive Economic Development Strategy, Community Action Plan, or other types of needs assessments, strategic plans or community vision plans. These planning efforts are equally important and should be coordinated with a city or county's adopted long range planning efforts. Commerce discourages stand-alone planning activities or community surveys that are intended only for CDBG application purposes, and those that are not being coordinated with the local government's on-going planning program; specifically, an adopted growth policy update or associated long-range planning activity.

The Department's Community Technical Assistance Program is available to provide more information on community planning best practices and may be reached by email at DOCCTAP@mt.gov for further guidance.

RANKING CRITERION #2	Need for Project	200 Possible Points

The Need for Project criterion considers the following, relative to the capacity of the applicant and other applications:

- Addressing community needs directly related to protection of public health and safety, as documented in a PAR or housing condition survey; in these cases, CDBG will also consider the proportion of the total community assisted and the effects on LMI or special needs residents;
- Addressing housing problems which especially affect low-income residents of the community or particularly disadvantaged persons considered at risk for securing affordable, decent, safe, and sanitary housing (minorities, single parents with children, elderly or children, or the physically or mentally disabled); and
- Whether the need has been well documented by a thorough analysis of the community's overall housing needs, as well as the needs within the project area, or for the persons to be assisted by the proposed project; and

Criterion #2 Questions

1. Please describe and document the following:

    a. Long-term, local demand for additional affordable and decent housing needed to support community development?

    b. The inadequate supply of affordable, decent, safe, and sanitary housing stock to serve LMI households (owners and/or renters)?

    c. A thorough analysis of the community's overall housing needs, as well as the needs within the project area, or for the persons to be assisted by the proposed project?

    d. The existence of dilapidated housing or other structures or the existence of blighting conditions and renewal needs within particular neighborhoods or areas within the community which discourage reinvestment?

    e. How the analysis of housing needs addresses the situation described in '1.d.' and attach maps?

    f. Any housing problems that especially affect low-income residents (homeowners and renters) of the community or particularly disadvantaged persons considered at risk for securing decent, safe, and sanitary housing (minorities, single parents with children, elderly or children, or the physically or mentally handicapped)?

2. How does the proposed project relate to and impact the housing needs affecting the groups identified in local long-term community planning efforts?

3. Please describe:

    a. How community housing or community renewal needs are directly related to protection of public health and safety, as documented in a PAR or housing condition studies.

    b. The proportion of the total community to be assisted by the proposed project.

c. The extent to which LMI residents or especially needy residents are affected.

4. Has the applicant included, if available, a copy of the housing element/component of the applicant's Growth Policy and Housing Plan?

5. Has the applicant described how the Growth Policy housing element and housing plan addresses substandard housing units, housing units that represent health and safety problems, and/or housing units in need of rehabilitation for energy conservation purposes?

6. Has the applicant provided an analysis of the community housing needs and long-term population trends such as increases or declines in population, increase in disadvantaged groups, increase in numbers of seniors expected to be residing within the community, new development in surrounding unincorporated areas, concentrations of low income households, etc.?

7. Has the applicant shown how the selected project is consistent with long-term demographic projections? (See the Commerce/CEIC demographic resources available on the web.)

8. Has the applicant provided the following:

   a. Documentation that a number of persons have expressed a need for the project and have an interest in taking part in the housing assistance provided by the project? Applicants are not expected to conduct a pre-screening process to establish eligibility of individual households for the project, but expressed interest in the proposed project must be documented.

   b. Documentation that a reasonable number of potential clients are eligible for the project by providing supporting data from a census or market survey?

9. Has the applicant provided any other information that substantiates the need for the proposed CDBG project?

Need for CDBG Financial Assistance

1. Has the applicant described and documented serious efforts undertaken to consider all appropriate federal, state and local (including program income earned from previous CDBG projects), public and private funding sources that could potentially assist with this project?

2. Has the applicant thoroughly demonstrated that other private, and local, State or federal public resources are not available at reasonable cost to address the identified need?

3. Has the applicant documented serious efforts to accomplish the leveraging of non-CDBG funds to support the project?

4. Has the applicant clearly explained and documented that the specific amount of its request for CDBG financial assistance is necessary and reasonable relative to its financial capability?

5. What percent of the total CDBG investment will be spent on grant administration? Has the applicant explained the rationale for the amount of non-administrative CDBG funds requested?

Additional requirements for this ranking criterion:

1. Preliminary Architectural Report

    a. Applicants requesting assistance for the construction of a new building or rehabilitation of an existing building must submit a PAR prepared by a licensed, professional architect that meets the minimum requirements described in the Preliminary Architectural Report for New Construction or Rehabilitation of Existing Buildings, Excluding Single Family Residences.
    b. Applicants may reference the PAR in responding to the "Need for Project" ranking criterion.

RANKING CRITERION #3	Project Strategy	175 Possible Points

The Project Strategy criterion considers the following, relative to the capacity of the applicant and other applications:

- The degree to which the project addresses the impediments to fair housing choice;
- The degree to which the applicant has developed a cost-effective, well-reasoned, appropriate, and achievable strategy which can reasonably be accomplished with available resources;
- The extent to which the proposed activities represent the applicant's most effective option for achieving maximum impact on selected housing needs;
- Whether the amount of CDBG assistance requested per benefiting household is reasonable and appropriate;
- The degree to which any proposed community renewal or secondary activities are complementary to and in support of the overall housing activities and will enhance the overall impact of the project;
- The extent to which the project enhances the unique and resilient characteristics of the community through investments in healthy, safe, and walkable neighborhoods – urban, rural, or suburban; and
- Whether the project is located within walkable neighborhoods, particularly one populated by disadvantaged persons (such as elderly or special needs) and is served by public transportation systems.

Criterion #3 Questions

1. Has the applicant:

    a. Provided a well-reasoned, cost-effective, appropriate, and achievable strategy that can be reasonably accomplished with available community resources, along with any other state and federal public housing resources (including Program Income from previous CDBG projects)?

    b. Demonstrated a sound and persuasive rationale to explain why the housing activities proposed are the most appropriate ones to meet the identified needs by discussing the alternatives considered before selecting this option.

    c. Discussed the housing alternatives considered in the PAR (if a PAR is required for the proposed project)?

2. Has the applicant provided a realistic evaluation of the availability of local private resources to accomplish the proposed activities -- such as local lenders, contractors, lead-based paint inspectors and contractors trained in stabilization or abatement, building material suppliers, property management companies, first-time home buyer programs, or temporary tenant relocation sites.

3. Has the applicant demonstrated that:

    a. The proposed project strategy is reasonable and appropriate, taking into account documented local demographic trends and housing conditions;

    b. There is a documented long-term local demand for additional decent and affordable housing units in the Applicant’s proposed project area; and

    c. The proposed project strategy has taken into account access to services, transportation costs, and is within walkable neighborhoods.

4. For rehabilitation of single family residences: Have the CDBG-required cost estimates been obtained from a licensed architect or registered contractor to determine and assess what the expected average cost of rehabilitating substandard dwelling units would be?

5. Has the applicant documented that the proposed project strategy is reasonable and appropriate regarding:

   a. The number and type of housing units;
   b. The CDBG cost per unit to be assisted;
   c. The extent of housing improvements that are proposed;
   d. Project location;
   e. Energy efficiency and renewable energy options;
   f. Expanding housing choices for people of all ages, incomes, race, and ethnicities; and
   g. Lowers the cost of housing and transportation

6. Has the applicant described how the project, if funded by CDBG, would leverage other specific public sector resources and private sector resources?

   a. The extent to which the proposed project uses existing infrastructure, facilities, and services.

7. Has the applicant documented any proposed funding leveraging arrangements by providing evidence of firm commitments from developers, financial institutions, or other organizations?

8. Describe whether non-CDBG financing commitments include some concessions from standard financing terms or conditions (such as reduced origination fees or interest rates).

9. Has the applicant included a summary of local Housing Project Policies and Procedures that will be using to guide and manage project activities? Do the policies address occupancy requirements, i.e., that housing to be directly assisted with CDBG funds must be intended for occupancy by LMI families the majority of the calendar year, with the exception of housing provided for migrant workers?

10. Has the applicant demonstrated that the proposed policies for using CDBG financial assistance to benefit households provide for:

    a. An analysis of the financial situation of each housing assistance applicant (including homeowners, renters, and landlords); and

    b. Assurance that terms and financing techniques are appropriate, affordable, and consistent with the prudent management of limited public funds?

11. Has the applicant demonstrated that the proposed project strategy is reasonable and appropriate as shown by evidenced in the form of:

    a. Documented local public opinion (surveys, studies, letters, etc.) supporting the project and;

    b. Documented interest from homeowners, renters, the owners of rental housing and any other parties interested in participating in the proposed project?

12. If other supportive activities in addition to and complementary to the principal housing activities are proposed, has the applicant demonstrated that these additional community renewal and supportive activities are likely to:

a. Enhance the overall impact of the project consistent with the goals stated in the Consolidated Plan;

b. Increase the visible impact of the project on the neighborhood (or other area) of the community that would be assisted by the project; and

c. Leverage multiple economic, environmental, and community objectives.

13. Has the applicant discussed its long-term commitment and past community efforts as well as its proposed new efforts to deal with housing and neighborhood renewal problems through non-financial community efforts (such as a commitment to community planning, land use regulation and code enforcement, blight removal and neighborhood clean-up, past housing projects, or other activities to promote affordable housing, housing choice, and community preservation and reinvestment)?

NOTE: Short-term community efforts will be generally viewed as those that have occurred recently. Long-term community efforts will be generally defined as those that have been on-going, continuing, or regularly updated and kept relevant, as appropriate -- for example, a community that has had a growth policy for several years and regularly updates or regularly prepares or updates housing-related studies, plans, or similar related activities.

Connectivity

Commerce will review the proposed project's design and location for connectivity characteristics that minimize costs (such as transportation and proximity to services) to affordable housing residents. Commence will use the connectivity tool found online at http://www.locationaffordability.info/lai.aspx to assess the proposed project's connectivity. Commerce will consider projects that are more connective, i.e. projects that minimize costs to beneficiaries, more consistent with the intent of the CDBG program (and therefore may score higher) than projects that are not as connective.

Energy Conservation Activities within the Proposed Project

Commerce will review the proposed project's design for energy efficiency measures including solar deployment and other on-site renewable energy installations that are aligned with the Federal Renewable Energy Target (FRET) (http://portal.hud.gov/hudportal/HUD?src=/program_offices/economic_resilience/eegb/renew300). Additionally, Commerce will use the National Renewable Energy Laboratory (NREL) online tools (http://www.nrel.gov/) to calculate potential energy production, financial and economic impacts, and solar data. Commerce will consider projects that further FRET goals and objectives more consistent with the intent of the CDBG program (and therefore may score higher) than projects that do not further FRET goals and objectives.

1. If energy conservation activities are proposed, will the project leverage Low Income Energy Assistance Program (LIEAP) and the Weatherization Assistance Program of the U.S. Department of Energy http://www.energy.gov/eere/wipo/weatherization-assistance-program as administered by the Montana Department of Public Health and Human Services and the appropriate Human Resource Development Council for the project area? If not, why?

2. What reasonable options to reduce future energy costs, for example, will "Energy Star" rated materials and appliances will be incorporated into the project design?

3. Will the project be LEED Certified upon occupancy? If so, what level of LEED Certification?

Projects managed/owned by Non-profits, For Profits, or Local Public Agencies

1. Has the applicant demonstrated that the proposed project strategy is reasonable and appropriate,

particularly with regard to physical design and future operation, given (a) the alternatives considered in the PAR and (b) the organizational capacity and experience documented in response to the requirements of Appendix H?

2. Has the applicant described how the financial and other information provided (in response to Appendix H) demonstrates that the proposal is cost effective, well-reasoned, appropriate, and viable for the long term?

Smoke-Free Housing

For new construction or rehabilitation projects, the Owner (and any Management Company) is encouraged to establish and implement a written policy that prohibits smoking in the units and indoor common areas of every project unit, including a non-smoking clause in the lease of every project unit. The Owner and Management Company should make educational materials on tobacco treatment programs, including the phone number for the Montana Quit Line, available to all tenants of the project through the resident service coordinator. The Montana Tobacco Use Prevention Program Smokefree Housing Project can provide educational materials and smokefree signage to property owners and managers free of charge.

1. Will the applicant prohibit smoking in the units and indoor common areas of every project unit? Is the non-smoking clause in the lease of every project unit?

Other Information

1. Provide any other pertinent information that could improve the application's score for this ranking criterion.

RANKING CRITERION #4	Community Efforts and Citizen Participation	100 Possible Points

The Community Efforts and Citizen Participation criterion considers the following, relative to the capacity of the applicant and other applications:

- The extent to which the funding will increase and support community revitalization activities (past or future) and safeguard rural landscapes and natural resources;
- The applicant's overall long-term efforts to improve the community over time, including efforts to secure federal, state, and local funds to address community needs;
- The thoroughness of the applicant's past efforts to address community development and public facilities problems, specifically, with local resources, including efforts of local volunteers and community service organizations; and
- Other non-financial community efforts by the applicant to assure adequate and cost-effective provision of affordable permanent and temporary housing including long-term operation and maintenance practices.

Criterion #4 Questions

Citizen Participation

1. Identify and describe the process used and efforts made to elicit citizen participation in the identification of overall community development needs, and the actions or activities it plans to implement in order to meet the identified needs.

2. What efforts are taken to involve LMI residents, identify their needs and implement solutions? How does the public participation process include and address the needs of disadvantaged persons or groups in the community?

3. Identify and describe the process used and efforts made to elicit citizen participation in the selection of the proposed CDBG project and project area. In addition to including documentation of public hearings, include documentation of newspaper articles, copies of special mailings, public opinion surveys, letters of support, etc.

4. In what ways do the applicant's process and efforts successfully elicit citizen participation? How has citizen participation actively informed the applicant's overall long-term efforts to improve the community over time, including efforts to secure federal, State, and local funds to address community needs?

5. How have citizens the affected applicant's past efforts to address community development and public facilities problems, specifically, with local resources, including efforts of local volunteers and community service organizations?

6. Provide an analysis and interpretation of the responses to any needs assessments or other surveys and the implications for possible activities or actions to address identified needs or concerns.

7. If public comments suggested that the project could potentially have any negative impacts on the community, community service providers or recipients, or LMI, senior, or disabled persons living in the community, has the applicant described and documented these comments and the official response to such comments?

8. How were the wishes of potential project beneficiaries solicited and articulated through meetings, surveys, or other means?

9. How is the proposed project consistent with expressed public opinion and does it have strong public support? Provide documentation demonstrating that the project reflects the expressed preference of potential project beneficiaries regarding project details such as location, design, and scope.

10. What is the rationale for selecting the proposed CDBG project over other potential community projects that were considered? What process was uses to select the proposed project? What other potential projects were considered?

11. What is the estimated cost per household that will result from the proposed project, such as anticipated increases in property tax assessments, user charges, or fees? When, how, and where was the public informed of the project-related costs? What comments, questions, or concerns were made?

12. Demonstrate how the public was provided reasonable opportunity to make comments on the proposed project and how any concerns addressed by local officials.

13. Provide documentation of the dates, times, and locations of the two required public hearings and provide copies of attendance lists, meeting summaries or minutes sufficient to reflect comments made by local officials and the citizens attending.

Local Community Improvement Efforts and Activities

The following questions apply to the overall community development efforts and the proposed project carried out by the applicant. These questions *may or may not* directly relate to your proposed project.

1. Has the applicant described and documented efforts intended or undertaken in the community and/or project area to address the following community development needs:

    a. Improving public facilities?

    b. Past housing projects on behalf of LMI households?

    c. Demolition of dilapidated, vacant structures or other community clean-up or beautification projects?

    d. Zoning to encourage compatible land uses in residential areas, including provisions to encourage affordable housing and housing choice?

    e. Zoning to encourage in-fill development and compatible land uses in residential areas, including provisions to encourage affordable housing and housing choice?

    f. Adopting and actively enforcing "community decay" ordinances for blight removal as authorized under Montana law (Section 7-5-2111, MCA, for counties, and Section 7-5-4104, MCA, for municipalities)?

    g. Aggressively enforcing the Uniform Code for the Abatement of Dangerous Buildings to eliminate dilapidated or deteriorated buildings, such as the clearance of a substantial portion of unsafe, vacant, deteriorated structures that cannot be economically rehabilitated?

    h. Coordinating with private affordable housing efforts, such as Habitat for Humanity, Neighborhood Housing Services, or lender-sponsored home ownership training programs?

2. Has the applicant described efforts by local civic groups, including volunteers and community service organizations, to improve the community, demonstrating the commitment of local citizens to maintain and enhance the community?

3. Describe actions taken to encourage viable economic development projects that; for example, promote investment of private capital, expansion of local tax bases, and creation of permanent, year round principally for low and moderate income persons.

4. Describe actions and/or activities taken to conserve and improve the condition of existing housing units.

5. Describe actions and/or activities taken to revitalize deteriorated or declining neighborhoods through comprehensive improvement efforts and overall community revitalization.

6. Describe actions and/or activities taken to increase the impact of local housing programs through a public-private partnership.

7. What actions and activities has the community recently undertaken to meet the needs of disadvantaged persons or groups (such as those with special needs, lower incomes, female heads of household, minority, elderly, disabled citizens) in the community, including special actions to promote fair housing? These actions may be documented by attaching including community maps and analysis that geographically illustrate and support the actions taken.

8. How does your community financially budget to meet its capital improvement and other community development needs, including the needs of disadvantaged persons or groups in the community?

9. Please include a description of the most recent taxable valuation of the community, mills levied, and value of a mill. Please also note whether mills levied have been raised, lowered, or remained constant for the last three years.

10. Describe actions or activities taken to address serious deficiencies, detrimental to the public health and safety, in basic infrastructure and community facilities.

11. Document local contributions to carry out the proposed project, such as:

    a. local cash or in-kind contributions to proposed activities?

    b. absorbing some or all administrative costs, or other forms of direct financial or in-kind contributions to support the project?

    c. other local efforts and contributions?

Reducing Impediments to Fair Housing

How does the proposed project address each of the following impediments to fair housing identified in the 2015-2020 Consolidated Plan?

1. Impediment 1: Discriminatory terms and conditions in the rental markets.

2. Impediment 2: Failure to make reasonable accommodation.

3. Impediment 3: Lack of understanding of fair housing laws.

4. Impediment 6: Limited knowledge of the fair housing infrastructure.

5. Impediment 7: Insufficient outreach and education.

6. Impediment 8: Presence of "Not In My Back Yard" (NIMBYism).

7. Impediment 9: Some units of local government lack sufficient understanding of the responsibilities to affirmatively further fair housing.

Other Information

1. Provide any other pertinent information which could improve the ranking of the application for this ranking criterion.

Additional considerations for this ranking criterion:

To receive CDBG funds, both Commerce and applicants for grants must carry out citizen participation in a manner that complies with Montana's Consolidated Plan. Montana's CDBG Citizen Participation Plan and the required Certifications for Application are found on the CDBG website.

1. Each applicant for CDBG must hold a minimum of two public hearings prior to submission of the CDBG application. Applicants should hold the first public hearing not more than twelve months prior to the date of application. The second public hearing should be held not more than three months prior to the date of application.
   - The first public hearing should be designed to assess overall housing, economic development and community development needs within the community and should be held in a neutral location (usually at the town or city hall, or county court house) to solicit public views about these needs.
     - This hearing should include the amount of CDBG funds available for the federal fiscal year;
     - The technical assistance available from local governments and the State to assist in the development of the proposals;
     - Review of past program performance by the local government, where applicable; and
     - Discussion of community surveys of housing and community needs the jurisdiction has completed.
   - The second hearing should focus on the proposed CDBG activities. The second public hearing must clearly identify the proposed project area and the term of the certification period. In any case, the public hearings must be conducted by the city, town, or county government that will sponsor the application; it is also recommended that the applicant's partner organizations participate in the hearings.

2. All hearings must provide reasonable and timely access to the hearing, information and records about proposed projects.
3. Local government hearing advertisements should include information such as clear location that is convenient and accessible to potential or actual beneficiaries and accommodations for individuals or groups with disabilities.
4. For hearings where a significant number of non-English speaking residents might be reasonably expected to participate and accommodations non-English speaking residents must be made available and also includes advertisements in non-English.
5. A record of the required hearings must be submitted with the application for CDBG funds, along with copies of the public notices for the hearings or affidavits of publication for the notices. A verbatim record is not necessary; applicants should provide a list of the names of persons who attended and a summary of comments by local officials and citizens which is sufficient to reflect the comments made by those attending

the hearing.

6. Hearings should follow local government practice, but not to the exclusion of federal requirements.

The First Public Hearing

- is intended to give citizens an opportunity to identify and discuss their community's overall community development and housing needs, including the needs of LMI persons, and to propose possible community improvement projects to meet those needs, before the local government makes a decision on what project or projects it will seek CDBG assistance for, and
- should inform the public about the amount of state CDBG funds estimated to be available to Montana communities, and the kinds of activities that are eligible to be assisted with CDBG funds.

The purpose of the first public hearing is to provide an objective and neutral forum for considering overall community needs and potentially competing or alternative proposals for CDBG projects to deal with those needs, within the local government's jurisdiction.

Applicants should hold the first public hearing not more than twelve months prior to the date of application. The CDBG website provides a sample model notice for the first public hearing. The site of the first public hearing should be a neutral one that would encourage fair and impartial consideration of all potential CDBG projects.

The Second Public Hearing

The purpose of the second public hearing is to give citizens and potential beneficiaries of the proposed CDBG project (especially LMI persons) or residents of the project area adequate opportunity to consider the potential impacts and benefits of the community's proposed project and to comment on it, before the community submits the application. The second hearing should be held not more than three months prior to the date of application.

At the second public hearing, specific CDBG program requirements and related project issues should be reviewed. For example, if taxes or user changes will need to be increased as part of the cost of financing a CDBG project, it is especially important that residents be informed and understand the necessity of raising user costs. This is the key hearing at which the public should have the full opportunity to review and comment on the details of the scope and design of the proposed project, as well as all projected financial responsibilities falling on project beneficiaries.

The CDBG Program encourages a neutral setting that promotes open discussion and an exchange of ideas regarding all community development and housing needs, and possible solutions for those needs. This may include an open town meeting or facilitated small group discussion with a final summation of identified community needs and solutions. Local officials may also want to use additional public involvement techniques such as open houses or presentations to local organizations to make more citizens aware of community needs and to solicit their comments on activities or projects to address community problems.

RANKING CRITERION #5	Benefit to LMI	150 Possible Points

In order to qualify for CDBG funds, a minimum of 51% of the beneficiaries must be documented as persons of low and moderate income. All documented LMI percentages will be rounded down, for instance 74.7% LMI will be considered 74% LMI. Information from the American Community Survey (ACS) is available on Commerce's website at:
http://comdev.mt.gov/Resources#Financial-Resources-1000

For this ranking criterion points will be assigned, upon review of documentation, in the following manner:

Number of years the housing will remain affordable	Points Awarded
0-5	50
6-15	100
16 or more	150

Housing developments serving limited clientele and/or projects in which at least half of the units will be dedicated to serving households whose income is 30% or less than the area median income will automatically receive 50 bonus points.

Limited Clientele

Limited clientele populations includes the following categories:

- abused children
- elderly persons
- battered spouses
- homeless persons
- severely disabled adults or children
- illiterate adults
- persons living with AIDS
- migrant farm workers

Criterion #6 Questions

1. Please list the percent of LMI that will be benefited from the proposed project:

   Benefit to Low and Moderate Income: _____ %

2. What is the total number of households will this activity serve each year?

3. How many LMI households will this activity serve each year?

4. What is the total amount of CDBG funds requested for the proposed project?

5. If applicable, what is the average cost per unit and how much CDBG-assistance will each unit receive?

Assuring the Affordability of Rents

In order for CDBG to assist multi-unit structures to benefit LMI persons, the units must be occupied by LMI persons at affordable rents. Grantees have the option of either:

a. establishing their own schedules for affordable rents, or
b. utilizing rent schedules not to exceed the current edition of the HUD Fair Market Rents found on Commerce's website http://comdev.mt.gov/Resources. This standard specifies maximum rents, including utility costs, by bedroom size, by county, for units available on the open market which already meet decent, safe, and sanitary criteria under federal guidelines, and do not require rehabilitation.

HUD's Fair Market Rents (FMRs) are for LMI families that cannot afford to pay prevailing rents. FMRs are based on the availability of federal rent subsidies for families participating in the Section 8 program. Because of this, FMRs may be higher than actual local market rates. The use of FMRs to set maximum rental rates on units assisted with CDBG funds (for which no rent subsidy is available) could result in establishing rental rates unaffordable to LMI families.

As an alternative, grant recipients are encouraged to establish schedules of affordable rents based on actual market surveys of prevailing rents in the community for various bedroom sizes of rental units. Commerce recommends that locally adopted, affordable rent schedules be established on the basis of not more than 85% of estimated typical rents in the community, according to the number of bedrooms per rental unit. According to HUD, the 85% figure represents the lowest rent at which a supply of standard quality units is normally available.

CDBG-assisted rental units must set rent so that individuals pay no more than 35% of gross household income for rent, including utilities, transportation (based on the transportation index) or the applicable fair market rents for the area, as established annually by HUD, less any utility costs paid by the tenants, whichever is lower. Gross income is defined by federal standards for the HUD Section 8 rent assistance program.

NOTE: If the CDBG-assisted unit is also assisted by funding from the HOME Program, the Housing Tax Credit (HTC) Program, the National Housing Trust Fund, or USDA Rural Development programs, rent requirements for those programs will supersede the requirements noted here.

Rent, occupancy, and affordability requirements for CDBG-assisted housing must be enforced with covenants, mortgages, or deed restrictions running with the property.

RANKING CRITERION #6	Implementation and Management	175 Possible Points

The Implementation and Management criterion considers the following, relative to the capacity of the applicant and other applications:

- Whether the applicant has clearly demonstrated that the project is feasible and achievable, taking into consideration the nature of the project activities, the size and resources of the community, the budget, and implementation schedule proposed;
- The soundness and appropriateness of the applicant's plan for assuring proper overall management of the CDBG project, including financial management of grant funds, compliance with State and federal requirements, and cost-effective completion of project activities;
- The applicant's readiness to implement the project if awarded CDBG funds, including the firm commitment of all non-CDBG funds and resources within 6 months of the grant award;
- Whether the applicant (or sub-recipient entity) has carefully considered all potential environmental, regulatory, and technical issues which could impact the timely start-up and successful implementation of project activities;
- The soundness of the applicant's (or subrecipient entity's) plans for assuring effective operation and long-term management of any assisted housing project;
- The applicant's performance on past and current CDBG funded projects; and
- Compliance with Uniform Relocation Act requirements.

Criterion #6 Questions

Project Implementation and Management

1. Each applicant must submit a draft project management plan and implementation schedules using the forms included in Appendix H and Appendix I of these application guidelines.

2. What documented firm commitments for assistance from other local, state or federal funding sources necessary to complete the proposed project has been obtained?

    a. If firm commitments from all non-CDBG sources are not available at the time of application when will each source of funds be firmly committed?

    b. What course of action will be taken if any non-CDBG funds are not committed within the six (6) month deadline?

    c. What percent of the total financing package is uncommitted at the time of application?

    d. What requirements from non-CDBG financing sources have not been satisfied at the time of application? What requirements from non-CDBG financing sources must be completed before construction begins?

    e. What limitations or restrictions are required by non-CDBG financing sources and what collaborative tasks will be completed to address any of these potential limitations?

3. How will funds from multiple sources be coordinated and directed?

4. How will:

a. All CDBG project start-up requirements will be met within 6 months of the date of announcement of grant award (including firm commitments of funds); and

b. The proposed project will be successfully completed within 24 months of contract execution?

5. Provide a narrative demonstrating that the proposed project is feasible and achievable, taking into consideration the nature of the project activities, the size and resources of the local applicant government, the budget, and implementation schedule proposed.

6. Please estimate the amount of CDBG funds that will be spent and what tasks will be accomplished each quarter of the project lifecycle, from notice of award to project completion and closeout.

7. How does the proposed project take projected housing market and demographic changes taken into consideration to ensure the long-term feasibility of the proposed project?

8. How does the proposed project take current economic trends and economic forecasts into consideration to ensure the project's long-term feasibility?

9. What mechanism(s), such as covenants, deed restrictions, etc. will be employed to ensure rent, occupancy, and affordability requirements are enforced for a period of no less than five (5) years?

Proposed Project Budget and Budget Narrative

1. Thoroughly define and justify each budget line item.

2. Included a budget narrative outlining the rationale and assumptions for each line item that specifies the work to be completed under each budget line item.

3. Has the applicant explained how activity costs are prioritized? Non-profit and for-profit organizations may reference their responses to Appendix H, as applicable.

Environmental Review

1. Has the applicant completed and included the environmental checklist found in the Montana's Uniform Application for Housing Loan, Grant, and Tax Credit Programs?

2. Has the applicant included documentation of direct contact with all appropriate state or federal agencies to answer the Environmental Checklist's questions?

3. Has the applicant thoroughly completed the environmental checklist by:
   a. providing thorough and credible responses to each item, and
   b. supplying specific sources of information for each of the environmental checklist topic areas?

4. Has the applicant demonstrated that the project will avoid adverse impacts on the environment, including potential historic resources?

5. Has the applicant describe its efforts to avoid adverse environmental impacts on the project including proximity to flood plains, hazardous facilities or sites, or incompatible land uses? (See the Environmental Checklist.)

6. If any concerns or adverse impacts have been identified, has the applicant provided appropriate responses to mitigate them?

7. Has the applicant explained how the analysis of any potential environmental concerns (such as lead-based paint, asbestos, and requirements for the preservation of historic architecture) has been closely coordinated with the project design, cost, and consideration of alternatives?

8. Has the applicant provided evidence that it has adequately anticipated and has thoroughly addressed all potential environmental, community planning, and regulatory constraints, such as consistency with local growth policy, zoning ordinances, building codes, state agency administrative orders, etc.?

For Projects Involving Non-Profits, For-Profits, Local Public Agencies, or other Partner Organizations

1. Include an Operating Plan for any organization that is proposed as a CDBG grant subrecipient/partner. Each Operating Plan must include the following elements with sufficient detail for adequate analysis:

    a. A description of the organization and its purpose and history.

    b. A description of the service(s) provided, geographic service area and potential for expansion of services provided or the service area. Describe the target population served (age, sex, special needs, etc.).

    c. How the CDBG project will affect the services to be provided and how the organization and its members or clientele will be affected if CDBG funds are not received?

    d. Provide the names, titles, and brief description of the background and management experience of the persons responsible for management of the organization, company, agency or project, as well as the members of the organization's or company's agency's board of directors or principals.

    e. Describe how the organization's or agency's finances are managed and whether they are formally reviewed on a regular basis.
    Provide a d description of the sources, proposed uses, and financial terms for all funds to be included in the project. The description should clearly justify the amount of CDBG assistance applied for and explain the intended use of the funds.

2. The organization must be able to demonstrate that projected income will be sufficient to cover any projected debt service and current and projected operating costs, including long-term operation and maintenance. Each applicant submitting an application on behalf of a non-profit or for-profit organization must include the following financial exhibits with the application**:**

    a. Financial statements for the three most recent years of operation including a balance sheet describing assets and liabilities, profit and loss statements, a revenue and expense statement, and cash flow statements as applicable to the type of organization or agency.

    b. Financial statements, compiled or reviewed by an independent certified public accountant with full disclosure notes are required for businesses or organizations or agencies that have been in operation for more than one complete fiscal year. All financial information must be signed by a responsible officer for the organization or public agency.

3. Requirements for Business Owners with a 20% or Greater Ownership

a. Personal Financial Statements and tax returns are required for all owners with 20% or more ownership in the proposed project. Commerce also requires personal or corporate income tax returns for all affiliated businesses.

b. The principal owners of the business, as defined above, must provide a release allowing for a personal credit history check by the Department as part of the application review.

c. Applicants should include any other information that may be helpful in documenting the economic viability of the project.

4. A non-profit organization must submit verification of its IRS 501(c) status.

Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) Considerations

URA requirements apply if the applicant proposes to use CDBG funds to acquire, rehabilitate, construct, or demolish structures or property. Applicants must demonstrate that the project will comply with requirements of the URA. If proposing acquisition, applicants must provide documentation that the property can be purchased or leased within six (6) months of the date of tentative grant award.

In addition, applicants should consult the CDBG Grant Administration Manual for additional information. In particular, if applicants are contemplating CDBG assistance to properties already occupied by residential households, a General Information Notice (GIN) should be sent as soon as possible to all occupants informing them that the land on which they reside or building which they occupy is being considered to receive CDBG assistance and informing them that there is no intent to evict the occupants or involuntarily relocate them as a result of the proposed CDBG activity.

Land or easements must also not be firmly committed for purchase with CDBG funds or with any other proposed project funds until all CDBG-required environmental review procedures, including a release of funds by Commerce, has been completed. If formal agreements to purchase either land or easements with CDBG or other project funds are executed prior to conduct of the required CDBG environmental review, the integrity of the environmental review process is jeopardized as there can be no legitimate review of alternative actions, such as consideration of development at other sites or locations.

1. Applicants are required to submit an Anti-displacement and Relocation Assistance Plan with the application. A template can be found in Appendix G of these application guidelines.

2. Does the applicant own the property and/or easement(s) on which the proposed project will take place? If yes, please answer the following questions and provide supporting documentation:
   a. When were the property and/or easements acquired?
   b. When did the applicant begin considering the use of federal funds for the proposed project?
   c. If federal funds were considered for the proposed project before the property was acquired:
      i. Please provide documentation that the owner made aware of his/her rights under the Uniform Relocation Act including the right to receive fair market value for the property/easements.
      ii. Was the fair market value established prior to purchase?
      iii. Was fair market value offered to previous owner?

3. a. Will property need to be acquired to complete this project?

   b. Will easement(s) need to be acquired to complete this project?

4. If the answer to either question 1a. or 1b. is 'yes', the applicant will need to document compliance with URA and answer the following questions.

   a. If property or easements will be acquired to complete this project, what steps will the applicant take to document compliance with URA?

   b. If property or easements have been acquired to complete this project, please provide evidence documenting the following:

      - The fair market value of the property or easement was established by a certified, licensed appraiser
      - The seller has been made aware of his/her rights under the URA;
      - The seller was made aware of the fair market value of the land and/or easement, and his/her right to just compensation;
      - The sale is voluntary; and
      - The acquisition process is URA-compliant.

5. a. Will any person or business need to temporarily relocate to complete this project? Will this temporary relocation last for more than one year?

   b. Will any person or business be prohibited from returning after temporarily relocating?

6. If CDBG assistance is proposed for a project involving a property that is currently occupied, please provide documentation demonstrating the General Information Notice (GIN) was received by all occupants informing them that the land on which they reside or building which they occupy is being considered to receive CDBG assistance and informing them that there is no intent to evict the occupants or involuntarily relocate them as a result of the proposed CDBG activity.

7. Will any person or business need to temporarily relocate to complete this project? Will this temporary relocation last for more than one year? If the proposed project involves temporary relocation:

   a. Identify each household and/or business that will need to be temporary relocated.

   b. How will the temporary relocation affect the project budget?

   c. How will the temporary relocation affect project implementation and/or project construction?

   d. Who will be responsible for documenting compliance with URA?

Procurement of Professional Services

1. If procurement is necessary for design, implementation, and/or management of the project and has already been completed, please provide the following documents:

   a. Affidavit of publication for the Section 3 Notice
   b. Direct Solicitation of Disadvantaged Business Enterprises
   c. The full Request for Proposals (RFP) or Request for Qualifications (RFQ)
   d. The affidavit of publication for the RFP/RFQ
   e. Meeting minutes and/or interviews with prospective entities
   f. The scoring criteria used to select the successful entity

2. If procurement is necessary for design, implementation, and/or management of the project and has **not** already been completed, describe who will be carrying this out and the steps that will be taken to document procurement complies with CDBG procurement requirements and State law.

Financial Management System and Audits

Commerce will check with the Department of Administration's Local Government Assistance Bureau for information about compliance with these requirements

1. Is the applicant compliant with the auditing and annual financial reporting requirements provided for in the Montana Single Audit Act, 2-7-501 to 522, MCA?

2. Has the applicant established a financial accounting system to properly account for grant funds according to generally accepted accounting principles?

Status of Past and Current CDBG Funded Projects

1. Has the applicant provided information on the status of any open CDBG projects (housing, public facilities or planning grant contracts with CDBG), including project closeout reports, quarterly update reports, project completion information and closeout schedule?

2. In the case of currently open CDBG projects: Has the applicant documented compliance with the current project implementation schedule contained in the CDBG contract with Commerce?

3. Demonstrate that any state and/or CDBG audit findings or monitoring findings directly related to a previous CDBG grant award were satisfactorily addressed.

Program Income

Program Income is income earned by a grantee from a CDBG-supported activity, such as repayments of principal or interest to a local revolving loan fund program generated by housing rehabilitation activities. These funds are usually received after a project has been completed and closed out and are retained at the local level.

If a community received program income from a project funded after 1992, include program income earnings to date, activities funded, and any available balance. This is in addition to required annual reporting of program income received from CDBG-supported activities.

1. If applicable, document program income expenditures (if any) for the last three years, in accordance with Commerce requirements?

2. If program income is expected as a result of this or other CDBG projects, include a draft Program Income Plan.

3. If CDBG Program Income from previous CDBG grants is available for the proposed project, has the applicant described the commitment of those program income funds?

Other Information

1. Provide any other pertinent information that could improve the application's score for this ranking criterion.

APPENDIX B
CDBG National and State Objectives

This appendix will be used to help determine how the proposed project will further the state's community development objectives identified in the 2015-2020 Montana Consolidated Plan. Commerce may use this appendix to prioritize proposed projects in light of available funding.

National Objective:

Montana CDBG program require projects meet the benefit to low- and moderate- income (LMI) national objective. Proposed community and public facilities projects meet this national objective by providing new or improving existing public infrastructure or community services to communities where 51% or more of the population is LMI or by providing direct assistant to persons of LMI. Proposed projects that do not meet the LMI national objective will not be funded.

State Objective:

The goals of the HUD programs administered by the state of Montana are to provide decent housing, a suitable living environment, and expanded economic opportunities for the state's low- and moderate-income residents. The state of Montana strives to accomplish these goals by maximizing and effectively utilizing all available funding resources to conduct housing and community development activities that will serve the economically disadvantaged residents of the state. By addressing need and creating opportunity at the individual and neighborhood levels, the state of Montana aims to improve the quality of life for all residents of the state. HUD's Community and Development Programs help to develop viable communities by funding a number of potential activities within the umbrella of the following three goals:

- *Providing decent housing* by obtaining appropriate housing for homeless persons and assisting those at risk of homelessness; preserving the affordable housing stock; increasing the availability of permanent affordable housing, without discrimination; increasing the supply of supportive housing for persons with special needs; and providing affordable housing near job opportunities.

- *Providing suitable living environments* by improving the safety and livability of neighborhoods; improving access to quality facilities, infrastructure, and services; reducing the isolation of income groups within communities through de-concentration of low-income housing; revitalizing deteriorating neighborhoods; restoring and preserving properties of special historic architectural or aesthetic value; and conserving energy resources.

- *Expanding economic opportunities* by creating and retaining jobs; establishing, stabilizing, and expanding small businesses; providing public employment services; encouraging the employment of low-income persons in projects funded under this Plan; providing reasonable mortgage financing rates without discrimination; providing access to capital and credit for development activities that promote long-term economic and social viability of the community; and reducing generational poverty of those living in publicly assisted housing by providing empowerment and self-sufficiency opportunities.

The state of Montana works to integrate efforts in these three areas into broader community development of public and community facilities, economic development, and housing strategies that recognize the limitations in traditional affordable housing initiatives, and look to identify and capitalize on opportunities to innovate. The state of Montana seeks to identify projects that satisfy criteria developed to help communities improve access to affordable housing and transportation while protecting the environment, and will leverage emerging data and tools that measure the true cost of commuting to residents of affordable housing.

The following list presents the objectives and outcomes of the 2010-2015 Montana Consolidated Plan for Housing and Community Development. There may be a need to direct and refine such resources by use of project selection criteria, which may be updated annually, based upon year-to-year need and local circumstances. The objectives and intended outcomes the state will pursue over the next five years are as follows:

1. Support existing Montana communities:

a. Target funding toward existing communities to increase community revitalization, improve the efficiency of public works investments, and safeguard rural landscapes and natural resources;
b. Encourage appropriate and comprehensive planning, market studies, preliminary architectural reports, and other studies or plans that support the sustainability of local communities, affordable housing, public works investments, vital employment centers, and the environment;
c. Enhance the unique and resilient characteristics of all communities by investing in healthy, safe, and walkable neighborhoods—rural, urban, or suburban;
d. Encourage the rehabilitation of existing rental and owner-occupied homes, particularly for those with special needs and the elderly;
e. Encourage the development and rehabilitation of community facilities and services located within walkable neighborhoods and/or served by public transportation systems, particularly for those with special needs and the elderly.

2. Invest in vital public infrastructure:

a. Encourage appropriate and comprehensive pre-development planning activities for public infrastructure, including asset management, needs analysis, preliminary engineering and/or architectural reports, and other studies or plans;
b. Provide funding opportunities to improve the safety and efficiency of public infrastructure, promote healthy, safe, and walkable neighborhoods, and safeguard the environment; and
c. Provide funding opportunities to serve eligible Montanans, particularly those special needs and elderly populations, with safe, efficient public infrastructure.

3. Enhance Montana's economic competitiveness:

a. Provide reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers as well as expanded business access to markets;
b. Support comprehensive planning for downtown revitalization, business development, and other studies or plans to attract and retain talent in Montana communities;
c. Provide job opportunities to eligible Montanans to strengthen communities within the state;
d. Encourage activities that support and strengthen new and existing businesses, particularly those located within traditional downtown business centers comprising a mix of businesses, housing, and services;
e. Encourage mixed-use development that contributes to broader revitalization efforts in Montana communities; and
f. Seek opportunities to achieve multiple economic development goals, such as removing barriers to collaboration, leveraging multiple funding sources, and increasing energy efficiency, through a single investment.

4. Promote equitable, affordable housing in Montana

a. Expand location- and energy-efficient housing choices for people of all ages, incomes, races and ethnicities to increase mobility and lower the combined cost of housing and transportation;
b. Encourage housing activities that incorporate energy-efficient design to help advance solar deployment and other on-site renewable energy installations in affordable housing that is aligned with the Federal Renewable Energy Target;
c. Encourage activities to acquire and/or construct new affordable housing for homeownership or rental in areas where existing investment in infrastructure, facilities, and services leverages multiple economic, environmental, and community objectives;

d. Encourage appropriate and comprehensive planning, market studies, preliminary architectural reports, and other studies or plans in support of the efficient construction of affordable housing;
e. Encourage financial mechanisms that increase homeownership opportunities and provide rental assistance to eligible Montanans, particularly those with special needs and the elderly.

5. Reduce homelessness in Montana:

a. Encourage activities that address the housing needs of homeless Montanans and/or those at risk of homelessness;
b. Encourage activities that increase the level of assistance programs to homeless Montanans and/or those at risk of homelessness, with the goal of achieving stable and sustainable housing; and
c. Encourage the development and rehabilitation of non-rental facilities for the shelter of temporarily homeless Montanans.

APPENDIX C

Sample Notice for the *First* CDBG Public Hearing

Information listed in italics or underline should be replaced with grantee specific data.

The (*Town of* _____, the *City of* _____ *or* _____ *County)* will hold a public hearing on *(day), (date), (time),* in the *(…building name and address…),* Room ___, for the purpose of obtaining public comments regarding the *City's (Town's or County's)* overall community development needs (public facilities, economic development, and housing needs), including the needs of low and moderate income persons. *The Town/City Council of* _____ *(or* _____ *County Commissioners)* will also seek the views of citizens on the activities that should be undertaken to meet the identified needs and their relative priority. The *(City, Town or County)* may apply for funding from the Montana Community Development Block Grant (CDBG) Program (federal funding administered by the Montana Department of Commerce) and other state and federal funding sources to deal with local housing, public facilities, or other community needs and would like comments or suggestions from local citizens regarding the *City's (Town's or County's)* needs and the type of projects which should be considered. Comments may be given orally at the hearing or submitted in writing before *(time and date)*.

Anyone who would like more information or who wants to submit suggestions should contact (*person), (title), (telephone number)*.

If it is the intent of the applicant to coordinate the second project public hearing with hearings for other programs, this notice may be combined with information from other programs, but must contain CDBG project specific details as listed below.

Sample Notice for the *Second* CDBG Public Hearing

The (*Town of* _____, *the City or County of* _____) will hold a public hearing on (*day*), (*date*), (*time*), in the (*location or building name and address, Room* _____,) for the purpose of obtaining public comments regarding a proposed application to the Montana Department of Commerce's Community Development Block Grant (CDBG) Program for a (*type of project, description of project, and project area, as applicable*). At the public hearing, the proposed project will be explained, including the purpose and proposed area of the project, activities, budget, possible sources of funding, and (*if applicable, any costs that may impact local citizens as a result of the project*). All interested persons will be given the opportunity to ask questions and to express their opinions regarding this proposed project.

Comments may be given orally at the hearing or submitted in writing before (*time and date*).
Anyone who would like more information or who wants to submit questions or comments should contact (*person*), (*title*), (*telephone number*). A copy of the application to be submitted for funding the project is available for review at (*location*) during regular office hours.

APPENDIX D
Resolution to Authorize Submission of a CDBG Application

Each application for CDBG funds must be accompanied by a copy of a resolution formally adopted by the applicant and authorizing:

- the submission of the CDBG application in compliance with the CDBG Application Guidelines, and
- the applicant's chief elected official or chief executive officer to act on its behalf in regard to the application and to provide such additional information as may be required.

The resolution must also indicate the governing body's intent to commit to any funding for the project that will be provided by the applicant.

Applicants and/or their partner organizations must have the legal jurisdiction and authority to finance, operate and maintain the proposed housing development and, where applicable, must have the demonstrated financial capacity to repay any debt incurred. In all cases, the applicant assumes complete responsibility for:

- proper financial management of the CDBG funds awarded to it; and
- compliance with all federal and state laws and regulations; and
- compliance with the auditing and annual financial reporting requirements provided for in the Montana Single Audit Act, 2-7-501 to 522, MCA; and
- the establishment of a financial accounting system that can properly account for grant funds according to generally accepted accounting principles.

See sample resolution on next page and provide information listed in italics specific to the applicant.

Sample

RESOLUTION TO AUTHORIZE SUBMISSION OF CDBG APPLICATION

WHEREAS, the (*Name of applicant*) is applying to the Montana Department of Commerce for financial assistance from the Community Development Block Grant Program (CDBG) to (*describe purpose of project*);

WHEREAS, the (*Name of applicant*) has the legal jurisdiction and authority to construct, finance, operate, and maintain (*the proposed affordable housing project*);

That the (*Name of applicant*) agrees to comply with all applicable parts of Title I of the Housing and Community Development Act of 1974, as amended, which have not been cited herein, as well as with other applicable federal laws and regulations, and all state laws and regulations and the requirements described in the CDBG Large-scale Multi-Family Housing Development and Rehabilitation Application Guidelines and those that are described in the CDBG Grant Administration Manual;

That (*name of Chief Elected Official or Chief Executive Officer*), (*title*), is authorized to submit this application to the Montana Department of Commerce, on behalf of (*Name of applicant*), to act on its behalf and to provide such additional information as may be required.

Signed: _____

Name: _____

Title: _____

Date: _____

Attested: _____

Local Government's DUNS Number: _____

APPENDIX E
Certification for Application

- Each applicant must agree to comply with all applicable state and federal laws and regulations in implementing their proposed CDBG project, if selected for funding.

- A copy of the Certifications for Application (provided below), signed by the chief elected official or executive officer of the applicant must accompany the application for CDBG funds.

- Applicants should carefully review the following certifications for application and consider their potential impact when designing and implementing the CDBG project.

- Since this is a brief summary and not intended to be a comprehensive description of each law, local officials who have any questions or concerns regarding the applicability of these requirements should contact Commerce for guidance.

MONTANA CDBG CERTIFICATION FOR APPLICATION

The Applicant hereby certifies that:

It will comply with all requirements established by the Montana Department of Commerce (Commerce) and applicable state laws, regulations, and administrative procedures and accept all Montana Community Development Block Grant (CDBG) program requirements.

It accepts the terms, conditions, selection criteria, and procedures established by the CDBG program and expressly waives any statutory or common law right it may have to challenge the legitimacy and propriety of these terms, conditions, criteria, and procedures in the event that it is not selected for an award of CDBG funds.

National Objective

It will complete a project that meets the benefit to low- and moderate- income (LMI) national objective, by serving no less than 51% of LMI residents as part of the project activities.

State Objectives

It will complete project activities that meet one or more of the goals and objectives established in the most current version of the Montana Consolidated Plan.

Goals of the HUD programs administered by the State of Montana are:

- *Providing decent housing* by obtaining appropriate housing for homeless persons and assisting those at risk of homelessness; preserving the affordable housing stock; increasing the availability of permanent affordable housing, without discrimination; increasing the supply of supportive housing for persons with special needs; and providing affordable housing near job opportunities.

- *Providing suitable living environments* by improving the safety and livability of neighborhoods; improving access to quality facilities, infrastructure, and services; reducing the isolation of income groups within communities through de-concentration of low-income housing; revitalizing deteriorating neighborhoods; restoring and preserving properties of special historic architectural or aesthetic value; and conserving energy resources.

- *Expanding economic opportunities* by creating and retaining jobs; establishing, stabilizing, and expanding small businesses; providing public employment services; encouraging the employment of low-income persons in projects funded under this Plan; providing reasonable mortgage financing rates without discrimination; providing access to capital and credit for development activities that promote long-term economic and social viability of the community; and reducing generational poverty of those living in publicly assisted housing by providing empowerment and self-sufficiency opportunities.

The objectives and outcomes of the Montana Consolidated Plan are:

1. Support existing Montana communities:

f. Target funding toward existing communities to increase community revitalization, improve the efficiency of public works investments, and safeguard rural landscapes and natural resources;

g. Encourage appropriate and comprehensive planning, market studies, preliminary architectural reports, and other studies or plans that support the sustainability of local communities, affordable housing, public works investments, vital employment centers, and the environment;
h. Enhance the unique and resilient characteristics of all communities by investing in healthy, safe, and walkable neighborhoods—rural, urban, or suburban;
i. Encourage the rehabilitation of existing rental and owner-occupied homes, particularly for those with special needs and the elderly;
j. Encourage the development and rehabilitation of community facilities and services located within walkable neighborhoods and/or served by public transportation systems, particularly for those with special needs and the elderly.

2. Invest in vital public infrastructure:

d. Encourage appropriate and comprehensive pre-development planning activities for public infrastructure, including asset management, needs analysis, preliminary engineering and/or architectural reports, and other studies or plans;
e. Provide funding opportunities to improve the safety and efficiency of public infrastructure, promote healthy, safe, and walkable neighborhoods, and safeguard the environment; and
f. Provide funding opportunities to serve eligible Montanans, particularly those special needs and elderly populations, with safe, efficient public infrastructure.

3. Enhance Montana's economic competitiveness:

g. Provide reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers as well as expanded business access to markets;
h. Support comprehensive planning for downtown revitalization, business development, and other studies or plans to attract and retain talent in Montana communities;
i. Provide job opportunities to eligible Montanans to strengthen communities within the state;
j. Encourage activities that support and strengthen new and existing businesses, particularly those located within traditional downtown business centers comprising a mix of businesses, housing, and services;
k. Encourage mixed-use development that contributes to broader revitalization efforts in Montana communities; and
l. Seek opportunities to achieve multiple economic development goals, such as removing barriers to collaboration, leveraging multiple funding sources, and increasing energy efficiency, through a single investment.

4. Promote equitable, affordable housing in Montana

f. Expand location- and energy-efficient housing choices for people of all ages, incomes, races and ethnicities to increase mobility and lower the combined cost of housing and transportation;
g. Encourage housing activities that incorporate energy-efficient design to help advance solar deployment and other on-site renewable energy installations in affordable housing that is aligned with the Federal Renewable Energy Target;
h. Encourage activities to acquire and/or construct new affordable housing for homeownership or rental in areas where existing investment in infrastructure, facilities, and services leverages multiple economic, environmental, and community objectives;
i. Encourage appropriate and comprehensive planning, market studies, preliminary architectural reports, and other studies or plans in support of the efficient construction of affordable housing;
j. Encourage financial mechanisms that increase homeownership opportunities and provide rental assistance to eligible Montanans, particularly those with special needs and the elderly.

5. Reduce homelessness in Montana:

d. Encourage activities that address the housing needs of homeless Montanans and/or those at risk of homelessness;

e. Encourage activities that increase the level of assistance programs to homeless Montanans and/or those at risk of homelessness, with the goal of achieving stable and sustainable housing; and
f. Encourage the development and rehabilitation of non-rental facilities for the shelter of temporarily homeless Montanans.

ACQUISITION, DISPLACEMENT AND RELOCATION

It will minimize displacement as a result of activities assisted with CDBG funds and assist persons actually displaced.

It will comply with:

- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (The Uniform Act) as amended, and implementing regulations 49 CFR part 24 and the requirements of section 570.496a. These laws and accompanying regulations require the grantee to provide relocation payments and offer relocation assistance to all persons displaced as a result of acquisition of real property for an activity assisted under the CDBG program. Such payments and assistance must be provided in a fair and consistent and equitable manner that ensures that the relocation process does not result in a different or separate treatment of such persons on account of race, color, religion, national origin, sex, source of income, age, handicap, or familial status (families with children). The grantee must assure that, within a reasonable period of time prior to displacement, decent, safe and sanitary replacement dwellings will be available to all displaced families and individuals and that the range of choices available to such persons will not vary on account of their race, color, religion, national origin, sex, source of income, age, handicap, or familial status (families with children); and

- The grantee must also inform affected persons of their rights and of the acquisition policies and procedures set forth in the regulations of 49 CFR, Part 24, Subpart B, and found in the local government's Anti-displacement and Relocation Assistance Plan.

- The Residential Anti-displacement and Relocation Assistance Plan adopted by the Montana Department of Commerce for the CDBG program and the Anti-displacement and Relocation Assistance Plan adopted by the applicant.

Assessments for Public Improvements

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:

a. CDBG funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than CDBG funds; or,

b. for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the applicant certifies that it lacks sufficient CDBG funds to comply with the requirements of clause a., above.

Building Standards

It will require every building or facility (other than a privately owned residential structure) designed, constructed, or altered with funds provided under the CDBG program to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A-117.1R 1971,

subject to the exceptions contained in CFR 101-19.604.

It will also comply with the Architectural Barriers Act of 1968 and HUD regulations 24 CFR part 8, "Nondiscrimination Based on Handicap in Federally Assisted Activities of HUD." The applicant will be responsible for conducting inspections to insure compliance with these specifications by the contractor; and will comply with HUD Cost-Effective Energy Standards, 24 CFR Part 39.

Citizen Participation

It will comply with the detailed Citizen Participation Plan adopted by Commerce for the CDBG program (see pages Q-14 through Q-18, below).

CIVIL RIGHTS, EQUAL OPPORTUNITY, FAIR HOUSING REQUIREMENTS

Civil Rights

It will comply with Title VII of the Civil Rights Act of 1964 (42 U.S.C. d et seq.), and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied in the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant received Federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the applicant, this assurance shall obligate the applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits.

Equal Opportunity

It will comply with:

- Section 109 of the Housing and Community Development Act of 1974 as amended, and the regulations issued pursuant thereto (24 CFR 570.601), which provides that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds provided under the Act;

- The Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et seq.). The act provides that no person shall be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funding assistance;

- Section 504 of the Rehabilitation Act of 1973, amended (29 U.S.C. 794). The act provides that no otherwise qualified individual shall, solely, by reason of his or her disability, be excluded from participation (including employment), denied program benefits or subjected to discrimination under any program or activity receiving federal assistance funds;

- Section 3 of the Housing and Community Development Act of 1968 (12 U.S.C. 170/u) (24 CFR Part 135). Section 3 of the Housing and Urban Development Act of 1968 requires, in connection with the planning and carrying out of any project assisted under the Act, to the greatest extent feasible, opportunities for training and employment be given to lower-income persons residing within the unit of local government or the non-metropolitan county in which the project is located, and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part, by

persons residing in the project area. The grantee must assure good faith efforts toward compliance with the statutory directive of Section 3; and

- Executive Order 11246, as amended by Executive Orders 11375 and 12086, and the regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60) prohibit a CDBG recipient and subcontractors, if any, from discriminating against any employee or applicant for employment because of race, color, religion, sex or national origin. The grantee and subcontractors, if any, must take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action must include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. The grantee and subcontractors must post in conspicuous places, available to employees and applicants for employment, notices to be provided setting for the provisions of this nondiscrimination clause. For contracts over $10,000 the grantee or subcontractors will send to each applicable labor union a notice of the above requirements, the grantee and subcontractors will comply with relevant rules, regulations and orders of the U.S. Secretary of Labor. The grantee or subcontractors must make their books and records available to State and federal officials for purposes of investigation to ascertain compliance.

Fair Housing

It will affirmatively further fair housing and will comply with:

- Title VIII of the Civil Rights Act of 1968 (also known as The Fair Housing Act) (42 U.S.C. 3601 et seq.), as amended by the Fair Housing Amendments Act of 1988 and the regulations issued pursuant thereto. The law states that it is the policy of the United States prohibiting any person from discriminating in the sale or rental of housing, the financing of housing, or the provision of brokerage services, including in any way making unavailable or denying a dwelling to any person, because of race, color, religion, sex, national origin, disability, or familial status. CDBG grantees must also administer programs and activities relating to housing and community development in a manner that affirmatively promotes fair housing and furthers the purposes of Title VIII; and

- Executive Order 11063, as amended by Executive Order 12259, requires CDBG recipients to take all actions necessary and appropriate to prevent discrimination because of race, color, religion, creed, sex or national origin; in the sale, leasing, rental and other disposition of residential property and related facilities (including land to be developed for residential use); or in the use or occupancy thereof if such property and related facilities are, among other things, provided in whole or in part with the aid of loans, advances, grants or contributions from the federal government.

Prohibition Against Discrimination on Basis of Religion

It will comply with section 109(a) of the Housing and Community Development Act that prohibits discrimination on the basis of religion or religious affiliation. No person will be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with CDBG funds on the basis of his or her religion or religious affiliation.

Prohibition Against Excessive Force

It will, if awarded CDBG funds, adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations in accordance with Section 104(1) of the Housing and Community Development Act, as amended.

ADA Compliance

It will do a self-assessment of impediments to accessibility in compliance with the Americans with Disabilities Act (ADA) of 1990. Grantees are required to find a means of making CDBG program activities and services accessible to persons with disabilities; to review their communities for impediments to disabled citizens; and develop a plan to address those impediments.

CONFLICT OF INTEREST

It will comply with the provisions of 24 CFR 570.611 and with sections 2-2-125, 2-2-201, 7-3-4367, 7-5-2106, and 7-5-4109, MCA, (as applicable) regarding the avoidance of conflict of interest.

ENVIRONMENTAL REQUIREMENTS

Air Quality

It will comply with the Clean Air Act (42 U.S.C. 7401, et seq.) which prohibits engaging in, supporting in any way or providing financial assistance for, licensing or permitting, or approving any activity which does not conform to the state implementation plan for national primary and secondary ambient air quality standards.

Environmental Impact

It will comply with:

- Section 104(f) of the Housing and Community Development Act of 1974, as amended through 1981. This section expresses the intent that "the policies of the National Environmental Policy Act of 1969 and other provisions of law which further the purposes of such Act be most effectively implemented in connection with the expenditure of funds under" the Act. Such other provisions of law which further the purpose of the National Environmental Policy Act of 1969 are specified in regulations issued pursuant to Section 104(f) of the Act and contained in 24 CFR Part 58; and

- The National Environmental Policy Act of 1969 (42 U.S.C. Section 4321, et seq. and 24 CFR Part 58). The purpose of this Act is to attain the widest use of the environment without degradation, risk to health or safety or other undesirable and unintended consequences. Environmental review procedures are a necessary part of this process. Pursuant to these provisions, the grantee must also submit environmental certifications to the Department of Commerce when requesting that funds be released for the project. The grantee must certify that the proposed project will not significantly impact the environmental regulations and fulfilled its obligations to give public notice of the funding request, environmental findings and compliance performance.

Its chief executive officer or other officer of the applicant approved by the state:

1. consents to assume the status of responsible federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of federal law, as specified in 24 CFR Part 58, which further the purposes of NEPA, insofar as the provisions of such federal law apply to the CDBG program; and

2. is authorized and consents on behalf of the applicant and himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such an official.

EPA List of Violating Facilities

It will ensure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the program are not listed on the U.S. Environmental Protection Agency's (EPA) List of Violating Facilities and that it will notify the Department of Commerce of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by EPA.

Farmlands Protection

It will comply with the Farmlands Protection Policy Act of 1981 (7 U.S.C. 4202, et seq.) and any applicable regulations (7 CFR Part 658) which established compliance procedures for any federally assisted project which will convert farmlands designated as prime, unique or statewide or locally important, to non-agricultural uses.

Floodplain Management and Wetlands Protection

It will comply with:

- the Flood Disaster Protection Act of 1973, Public Law 93-234, 87 Stat. 975, approved December 31, 1973. Section 102(a) required, on and after March 2, 1974, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance;

- Executive Order 11988, May 24, 1978: Floodplain Management (42 F.R. 26951, et seq.). The intent of this Executive Order is to (1) avoid, to the extent possible, adverse impacts associated with the occupancy and modification of floodplain and (2) avoid direct or indirect support of floodplain development wherever there is a practical alternative. If a grantee proposes to conduct, support or allow an action to be located in the floodplain, the grantee must consider alternatives to avoid adverse effects and incompatible involvement in the floodplains. If siting in a floodplain is the only practical alternative, the grantee must, prior to taking any action: (1) design or modify its actions in order to minimize a potential harm to the floodplain; and (2) prepare and circulate a notice containing an explanation of why the action is proposed to be located in a floodplain; and

- Executive Order 11990, May 24, 1977: Protection of Wetlands (42 F.R. 26961, et seq.). The intent of this Executive Order is to avoid adverse impacts associated with the destruction or modification of wetlands and direct or indirect support of new construction in wetlands, wherever there is a practical alternative. The grantee must avoid undertaking or providing assistance for new construction located in wetlands unless there is no practical alternative to such construction and the proposed action includes all practical measures to minimize harm to wetlands which may result from such use.

Historic Preservation

It will comply with:

- Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470, as amended) through completion of the procedures outlined in 36 CFR 800 and 36 CFR 63. Compliance with these procedures should include:

1. consulting with the State Historic Preservation Office (SHPO) to identify properties listed in or eligible for inclusion in the National Register of Historic Places that exist with a proposed CDBG project's area of potential environmental impact, and/or to determine the need for professional archaeological, historical, or architectural inventory of potentially affected properties to determine whether they would qualify for register listing; and

2. consulting, with the SHPO and THPO, Keeper of the National Register of Historic Places, and the Advisory Council on Historic Preservation to evaluate the significance of historic or prehistoric properties which could be affected by CDBG work and to determine how to avoid or mitigate adverse effects to significant properties from project work.

Lead-Based Paint

It will comply with current requirements of Title X of the Residential Lead Based Paint Hazard Reduction Act of 1992. Both Commerce and DPHHS provide education and information on LBP hazards to parents, families, healthcare providers, grant recipients, and contractors. Commerce requires that any contractor or subcontractor engaged in renovation, repair and paint activities that disturb lead-based paint in homes, child and care facilities built before 1978 must be certified and follow specific work practices to prevent lead contamination. In addition to complying with Title X, UPCS inspections will be performed at rental properties assisted with HTF, HOME, Section 8, and other public rental properties throughout the state.

Noise, Facility Siting

It will comply with HUD Environmental Standards (24 CFR, Part 51, Environmental Criteria and Standards and 44 F.R. 40860-40866, July 12, 1979) which prohibit HUD support for most new construction of noise-sensitive uses is prohibited in general for projects with unacceptable noise exposures is discouraged for projects with normally unacceptable noise exposure. Additionally projects may not be located near facilities handling materials of an explosive or hazardous nature, or in airport clear zones.

Solid Waste

It will comply with the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et seq.). The purpose of this Act is to promote the protection of health and the environment and to conserve valuable material and energy resources.

Water Quality

It will comply with:

- the Safe Drinking Water Act of 1974 (42 U.S.C. Section 201, 300(f) et seq. and U.S.C. Section 349), as amended, particularly Section 1424(e) (42 U.S.C. Section 300H-303(e)) which is intended to protect underground sources of water. No commitment for federal financial assistance can be entered into for any project which the U.S. Environmental Protection Agency determines may contaminate an aquifer which is the sole or principal drinking water source for an area; and

- the Federal Water Pollution Control Act of 1972, as amended, including the Clear Water Act of 1977, Public Law 92-212 (33 U.S.C. Section 1251, et seq.) which provides for the restoration and maintenance of the chemical, physical and biological integrity of the nation's water.

Wildlife

It will comply with:

- the Endangered Species Act of 1973, as amended (16 U.S.C. 1531 et seq.). The intent of this Act is to ensure that all federally assisted projects seek to preserve endangered or threatened species. Federally authorized and funded projects must not jeopardize the continued existence of endangered and threatened species or result in the destruction or modification of habitat of such species which is determined by the U.S. Department of the Interior, after consultation with the state, to be critical; and

- the Fish and Wildlife Coordination Act of 1958, as amended, (U.S.C. 661 et seq.) which requires that wildlife conservation receives equal consideration and is coordinated with other features of water resource development programs.

Wild and Scenic Rivers

It will comply with the Wild and Scenic Rivers Act of 1968, as amended (16 U.S.C. 1271, et seq.). The purpose of this Act is to preserve selected rivers or sections of rivers in their free-flowing condition, to protect the water quality of such rivers and to fulfill other vital national conservation goals. Federal assistance by loan, grant, license or other mechanism may not t be provided to water resources construction projects that would have a direct and adverse effect on any river included or designated for study or inclusion in the National Wild and Scenic River System.

FINANCIAL MANAGEMENT

It will comply with the applicable requirements of:

- OMB Circular A-87, "Cost Principles for State and Local Governments," as specified by Commerce;

- HUD "Administrative Requirements for Grant and Operative Agreements to State, Local, and Federally-Recognized Indian Tribal Governments," (24 CFR, Part 85), or any equivalent procedures and requirements that the Montana Department of Commerce may prescribe. The HUD Administrative Requirements are the basis for a number of specific requirements on the financial management and record keeping of CDBG funds. The requirements apply to cash depositories, bonding and insurance, record keeping, program income, property management, procurement, closeout, audit, and other requirements; and

- The Single Audit Act of 1984, as amended by the Single Audit Act of 1996 (the "Single audit Act Amendments") which establishes criteria for determining the scope and content of audits and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", revised June 24, 1997. (OMB Circular A-133.)

It will promptly refund to Commerce any CDBG funds determined by an audit to have been spent in an unauthorized or improper manner or for ineligible activities.

It will give Commerce, the Montana Legislative Auditor, HUD, and the Comptroller General, through any authorized representatives, access to and the right to examine all records, books, papers, or documents related to the grant.

Labor Standards

It will comply with:

- Section 110 of the Housing and Community Development Act of 1975, as amended, 24 CFR 570.605, and State regulations regarding the administration and enforcement of labor standards. Section 110 requires that all laborers and mechanics employed by contractors or subcontractors on construction work assisted under the Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276-1- 276a-5). By reason of the foregoing requirement the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) also applies. However, these requirements apply to rehabilitation of residential property only if such property is designed for residential use for eight or more families;

- Davis-Bacon Act, as amended (40 U.S.C. et seq.), Section 2; June 13, 1934, as amended (48 Stat. 948.40 U.S.C. 276(c)), popularly known as the Copeland Anti-Kickback Act. The Act mandates that all laborers and mechanics be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account except "permissible" salary deductions, the full amounts due at the time of payments, computed at wage rates not less than those contained in the wage determination issued by the U.S. Department of Labor. Weekly compliance statements and payrolls are required to be submitted to the federally funded recipient by the contractor;

- Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.). According to the Act, no contract work may involve or require laborers or mechanics to work in excess of eight hours in a calendar day, or in excess of 40 hours in a work week, unless compensation of not less than one and one-half times the basic rate is paid for the overtime hours. If this Act is violated, the contractor or subcontractor is liable to any affected employee for unpaid damages as well as to the United States for liquidated damages; and

- Federal Fair Labor Standards Act, (29 U.S.C.S. 201 et seq.).The act requires that covered employees be paid at least the minimum prescribed wage, and also that they be paid one and one-half times their basic wage rate for all hours worked in excess of the prescribed workweek.

Legal Authority

It possesses legal authority to apply for the grant and to execute the proposed project under Montana law and, if selected to receive a CDBG grant, will make all efforts necessary to assure timely and effective implementation of the project activities described in the submitted application.

Lobbying

It certifies that:

- No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

- If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influencing an officer or employee or any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal

contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard From LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

- The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Political Activity

It will comply with the Hatch Act (5 U.S.C. 1501, et seq.; 5 CFR Part 151) which restricts the political activity of individuals principally employed by a state or local agency in connection with a program financed in whole or in part by federal loans or grants. An affected employee may not be a candidate for public office in a partisan election.

Procurement

Consulting Services will be procured in a manner that provides fair and unbiased, full and open competition, without conflicts of interest.

Signed: _____

Name: _____

Title: _____

Date: _____

DUNS Number: _____

EIN Number: _____

APPENDIX F

Residential Anti-Displacement and Relocation Assistance Plan

This Residential Anti-displacement and Relocation Assistance Plan is prepared by the Montana Department of Commerce (Commerce) and [*Grantee City, Town, Or County*] in accordance with the Housing and Community Development Act of 1974, as amended (the "Act") and HUD regulations at 24 CFR 42.325 and is applicable to our Community Development Block Grant (CDBG) assisted programs and projects.

Minimize Displacement

Consistent with the goals and objectives of activities assisted under the Act, [*Grantee City, Town, or County*] will implement policies to minimize the direct and indirect displacement of persons (families, individuals, businesses, for-profit organizations, not-for-profit organizations and farms) from their homes and neighborhoods as a result of assisted activities including:

- Encouraging (alternate; mandate) its subrecipient partners to stage rehabilitation of apartment units to allow tenants to remain in the building/complex during and after the rehabilitation, working with empty units first.
- Assisting its subrecipient partners with locating facilities to house persons who must be relocated temporarily during rehabilitation by offering vacant units in other regulated properties in the immediate area, if any.
- Supporting local efforts to enact tax assessment policies which reduce the impact of potentially increasing property tax assessments on lower income owner-occupants or tenants in revitalizing areas.
- Where feasible, giving priority to rehabilitation of housing, as opposed to demolition, to avoid displacement.
- Where feasible, allowing for demolition or conversion of only dwelling units that are not occupied or vacant occupiable dwelling units (especially those units which are "lower-income dwelling units" (as defined in 24 CFR 42.305)) or structures that have not been used for residential purposes.
- Targeting only those properties deemed essential to the need or success of the project.
- Acquisition of easements or property related to community and public facility projects.

Relocation Assistance to Displaced Persons

[*Grantee City, Town, Or County*] will provide relocation assistance for eligible beneficiaries (as defined by CDBG regulations) who, in connection with an activity assisted under the CDBG program, move permanently or move personal property from real property as a direct result of the demolition of any dwelling unit or the conversion of a lower-income dwelling unit. Depending upon their status, a displaced person may qualify assistance under either the Uniform Relocation Assistance and Real Property Acquisitions Act ("URA") and its implementing regulation at 49 CFR 24 or under Section 104(d) of the Act, including:

1. Advisory Services – A displaced person will be advised of his or her rights under the Fair Housing Act. If a comparable replacement dwelling to be provided to a minority person is located in an area of minority concentration (as may be identified in the Consolidated Plan) the minority person will also be

given, if possible, referrals to comparable and suitable decent, safe and sanitary replacement dwellings not located in such areas. (24 CFR 42.350(a))

2. Moving Expenses – Payment for moving expenses at levels described in the URA. (24 CFR 42.350(b))

3. Security Deposits and Credit Checks – The reasonable and necessary cost of any security deposit required to rent the replacement dwelling unit, and for credit checks required to rent or purchase the replacement dwelling unit. (24 CFR 42.350(c))

4. Interim Living Costs – Displaced persons shall be reimbursed for actual, reasonable, out-of-pocket costs incurred in connection with a displacement, including moving expenses and increased housing costs, if (24 CFR 42.350(d)):

   a) a person must relocate temporarily because continued occupancy of the dwelling unit constitutes a substantial danger to the health or safety of the person or the public; or

   b) a person is displaced from a “lower income dwelling unit”, none of the comparable replacement dwelling units to which the person has been referred qualifies as a lower income dwelling unit and a suitable lower income dwelling unit is scheduled to become available in accordance with the one-for-one replacement rule discussed below.

5. Replacement Housing Assistance – Displaced persons are eligible to receive one of the following two forms of replacement housing assistance [(24 CFR 42.350(e)]:

   a) rental assistance equal to 60 times the amount necessary to reduce the monthly rent and estimated average monthly cost of utilities for a replacement dwelling (comparable replacement dwelling or decent, safe, and sanitary replacement dwelling to which the person relocates, whichever costs less) to the "Total Tenant Payment," as determined by 24 CFR 5. (All or a portion of this assistance may be offered through a certificate or voucher for rental assistance, if available, provided under Section 8. If a Section 8 certificate or voucher is provided, the subrecipient partner must provide referrals to comparable replacement dwelling units where the owner is willing to participate in the Section 8 Tenant-Based Assistance Existing Housing Program 24 CFR 982); or

   b) If a displaced person purchases an interest in a housing cooperative or mutual housing association and occupies a decent, safe, and sanitary dwelling in the cooperative or association, the person may elect to receive a payment equal to the capitalized value of 60 times the amount that is obtained by subtracting the "Total Tenant Payment," as determined under 24 CFR 5, from the monthly rent and estimated average monthly cost of utilities at a comparable replacement dwelling unit. To compute the capitalized value, the installments shall be discounted at the rate of interest paid on passbook savings deposits by a federally insured financial institution conducting business within the recipient's jurisdiction. To the extent necessary to minimize hardship to the displaced household, subrecipient partners will, subject to appropriate safeguards, issue a payment in advance of the purchase of the interest in the housing cooperative or mutual housing association.

A displaced person who is not a lower-income tenant will be provided relocation assistance in accordance with the URA. Businesses relocated as a result of assisted activities will also be provided relocation assistance in accordance with the URA.

One-for-One Replacement of Lower-Income Dwelling Units

[*Grantee City, Town, Or County*] will replace all occupied and vacant occupiable lower-income dwelling units demolished or converted to a use other than lower-income housing in connection with a project assisted with funds provided under the CDBG programs in accordance with 24 CFR 42.375, as follows:

1. To the extent feasible, [*Grantee City, Town, Or County*] will require that replacement units be located within the same neighborhood as the units demolished or converted.

2. [*Grantee City, Town, Or County*] will require that replacement units be sufficient in number and size to house no fewer than the number of occupants who could have been housed in the units that are demolished or converted. The number of occupants who could have been housed in units shall be determined in accordance with applicable local housing occupancy codes. Demolished or converted units may not be replaced with smaller units (e.g., a 2-bedroom unit with two 1-bedroom units).

3. The replacement units must be provided in standard condition. Replacement lower-income dwelling units may include units that have been raised to standard from substandard condition if:

   a) No person was displaced from the substandard unit; and
   b) The substandard unit was vacant for at least 3 months before execution of the agreement between the [*Grantee City, Town, Or County*] and the property owner.

4. The replacement units will be required to be designed by [*Grantee City, Town, Or County*] to remain lower-income dwelling units for the minimum number of years required by regulation. Replacement lower-income dwelling units may include, but are not limited to, public housing or existing housing receiving Section 8 project-based assistance.

Replacement Not Required Based on Unit Availability

Under 24 CFR 42.375(d), [*Grantee City, Town, Or County*] may submit a request to Commerce (if the project is funded through the State) for a determination that the one-for-one replacement requirement does not apply based on objective data that there is an adequate supply of vacant lower-income dwelling units in standard condition available on a non-discriminatory basis within the area. Commerce, upon receipt of such submission, will promptly put notice of the request on its website and inform interested persons that they have 30 days from its posting to comment and provide additional information to Commerce.

Appeals

Any displaced person who disagrees with [*Grantee City, Town, Or County*]'s determination of eligibility for benefits or the amount of relocation assistance for which the person is eligible may file a written appeal to [*Grantee City, Town, Or County*]. Appeals may be directed to [*Grantee City, Town, Or County*], [*Mailing Address*]

AND [*Phone Number*]. Further appeal, in writing, may be submitted to the Montana Department of Commerce, Community Development Division, PO Box 200523, Helena, MT 59620-0523.

Contacts

[*Grantee City, Town, Or County*] is responsible for tracking the replacement of lower-income dwelling units and ensuring that they are provided within the required period. The [*Grantee City, Town, Or County*] and/or a partner organization monitors this tracking throughout the development process.

[*Grantee City, Town, Or County*] is responsible for providing relocation payments and other relocation assistance to any lower-income person displaced by the demolition of any dwelling unit or the conversion of lower-income dwelling units to another use. [*Grantee City, Town, Or County*] will monitor the payment of relocation assistance throughout the development process.

APPENDIX G

Draft Project Implementation Schedule

	QUARTERS 20__				QUARTERS 20__			
TASKS	**1ST JFM**	**2ND AMJ**	**3RD JAS**	**4TH OND**	**1ST JFM**	**2ND AMJ**	**3RD JAS**	**4TH OND**
PROJECT START UP								
Land/Structure/Easement Acquisition								
Submit firm commitment of all funding								
Submit all required start-up documents								
Secure Environmental Release of Funds								
PROJECT DESIGN								
Procure professional services								
Complete project design								
Prepare construction bid documents								
CONSTRUCTION BIDDING								
Publish public bid solicitation								
Open bids and examine proposals.								
Complete debarment check								
Award contract								
PROJECT CONSTRUCTION								
Conduct pre-construction conference.								
Issue Notice to Proceed								
Monitor contractor(s)								
Document labor standards compliance								
Final Inspection								
PROJECT CLOSE OUT								
Submit Certificate of Occupancy (or its equivalent)								
Submit final Request for Reimbursement and Project Completion Report								

APPENDIX H

Preliminary Project Management Plan

The *(City, Town or County)* of _____ is an incorporated (*city, town or county*) with a (*Mayor-Council or other)* form of government. The following persons will have lead responsibility for administering the (*city, town or county*)'s Community Development Block Grant (CDBG) grant.

(Chief Elected Official), as the (*city, town or county*)'s chief elected official will have responsibility for all official contacts with the Montana Department of Commerce (Commerce) and ultimate authority and responsibility for the management of project activities and expenditure of CDBG funds.

The (*city, town or county*)'s chief financial officer, will be designated as the *Financial* Officer and will be responsible for management of, and record keeping for, the CDBG funds involved in the financing of this project.

The (*city, town or county, engineer, architect, grant administrator or other*), will be designated as *Project Manager* and be responsible for overall project management and reporting and for assuring compliance with applicable requirements.

The (*city, town or county*) Attorney, as the (*city, town or county*)'s legal counsel, will provide legal guidance as requested and help determine the lowest responsible, responsive bidder.

The Project Architect/Engineer will be responsible for construction-related activities including preparation of preliminary studies and designs, final design plans and specifications, as well as construction inspection.

A. The ***Project Manager*** will be responsible for:

1. Familiarity with the current *Grant Administration Manual* and its requirements and for assuring compliance with the CDBG contract and with CDBG policies for project activities and administration.

2. Preparing any additional environmental review to assure full compliance with the National and Montana Environmental Policy Acts, including meeting any applicable environmental requirements and documenting any mitigating actions or additional consultation is completed pursuant to the findings of the environmental review.

3. Documenting compliance with applicable civil rights requirements.

4. Assisting the (*city, town or county*) with all requirements related to effective project start-up and maintaining compliance with the implementation schedule attached to the contract.

5. Assisting the (*city, town or county*) with procuring professional services and/or a general contractor.

6. Monitoring and enforcing compliance with labor standards requirements.

7. Documenting compliance with URA requirements, as applicable.

8. Preparing all required performance reports and closeout documents.

B. The ***Project Architect/Engineer*** will be responsible for:

1. Designing architectural and/or engineering plans necessary for successful completion.

2. Preparation of the construction bid package in conformance with applicable CDBG requirements.

3. Overseeing construction bidding and award process, including the preparation of the advertisements for bid solicitation, the bid opening, and helping determining the lowest responsible, responsive bidder in coordination with the (*city, town or county*)'s legal counsel.

4. Conducting the pre-construction conference.

5. Supervision of the construction work and preparation of inspection reports.

6. Reviewing and approving all requests from contractors for payment and submitting the approved requests to the Project Manager.

C. *The* ***Financial Officer*** will be responsible for:

1. Establishing the non-interest bearing CDBG bank account and making CDBG-eligible payments to vendors on behalf of the (*city, town or county*), based on claims and supporting documents. Ensuring balances in that account will not exceed $5,000 for a period of three days, to comply with CDBG requirements.

2. Disbursing funds in accordance with the (*city, town or county*)'s established procedures for reviewing claims.

3. Entering all project transactions into the (*city, town or county*)'s existing accounting system, and preparing checks/warrants for approved expenditures.

4. Ensuring all Requests for Reimbursement are signed by authorized representatives.

5. Ensuring no expenditures will be made without proper (*city, town or county*) approval.