

Phase 2 Factor 1: Capacity

At 147,000 square miles and with a total population just over one million, the State of Montana is physically expansive and geographically diverse. Due in large part to its vastness, Montanan's are highly independent and self-sufficient when it comes to many aspects of their lives. This independence holds true beyond individuals, influencing how residents conduct themselves across personal and professional boundaries. Most Montanans, however, understand the value in working together, building on collective strengths to overcome individual weakness in the truest sense of community. While the purpose of the State's approach to resiliency is to respect and capitalize on this culture of independence, the approach takes into consideration the age-old adage recognizing the whole is only as good as the sum of its parts, and that collaboration at the state and local level is key to a project's success. The State has demonstrated significant knowledge, expertise and technical capacity among its agencies that have committed to the approach to develop a state-wide resilience program. Together with our public and private partners who will round out the State's multi-disciplinary teams, Montana has significant capacity and a demonstrated commitment to carry out the proposed program to increase resilience in how we do business.

The State of Montana identified the Department of Commerce as the lead agency in the preparation of this application, and administration of the grant upon award. Over the past year Commerce has worked closely with three of its sister agencies in the preparation of the State's Phase 1 and Phase 2 applications for CDBG-NDR funds. The core agency team includes Commerce (DOC), the Disaster and Emergency Services Division of the Montana Department of Military Affairs (DES), the Montana Department of Environmental Quality (DEQ), and the Montana Department of Natural Resources and Conservation (DNRC). Additional agency

partners have been identified through the development of Phase 2 and will be incorporated as part of the multi-disciplinary state teams, providing assistance with project development and implementation alongside the qualifying MID-URN sub-county areas. Additional agencies identified at this time include the Department of Transportation (MDOT) and Fish, Wildlife and Parks (FWP), as many of the resilient activities discussed with our MIDURN communities dovetail with programmatic resources in both of these agencies.

Traditionally, state agencies tend to work within their own silos and focus on their individual areas of expertise. The difficulty is that so many of our funding programs and services overlap one-another, making it impossible not to influence policy decisions and implementation across agency lines, and highlighting all the more why collaboration at the state level is imperative. In the recent past, Montana state agencies have begun to recognize those overlaps and the benefit of coordinating resources and technical expertise to improve capacity and expedite delivery of services. Most recently, multiple state agencies came together to work on an application to the Center for Disease Control (CDC) for funding to improve collaboration on policy and design decisions when it comes to walkability in Montana communities. Representatives from Commerce (DOC), the Department of Public Health and Human Services (DPHHS), Montana Department of Transportation (MDOT), and private partner Bike Walk Montana have been actively working on collaborative efforts between agencies and private partners to promote walkability and related health benefits through integrated long-range planning activities, design standards and local land use regulations. After traveling to Nashville this past spring to participate in a Walkability Institute with other states and state agencies, team members from DOC, DPHHS, MDOT and Bike Walk Montana worked to develop an action plan among state agencies, and held a summit in August to begin to introduce opportunities for collaboration to

other agencies and private partners throughout Helena and Montana. This effort in particular showcases Commerce's ability and capacity to work across agency boundaries and incorporate external stakeholders in a broader conversation about collaboration.

Commerce and the Community Development Division in particular, has significant experience and capacity to manage multi-faceted projects involving multiple consultants and a wide range of local governments. Over the past four years, the Community Technical Assistance Program (CTAP), housed within the Community Development Division at Commerce, has provided in-depth technical assistance and professional planning expertise to cities, counties and towns in eastern Montana experiencing exponential growth and development pressure related to oil and gas extraction in the Bakken formation. After going through an extensive RFP process with Montana's Department of Administration, CTAP selected four consultants to assist in providing these services directly to local governments, significantly increasing CTAP's capacity to assist eastern Montana communities. With a current budget of \$500,000, CTAP and the consultants work collaboratively with communities to identify planning priorities and assist with the update and completion of long range planning documents, zoning and subdivision regulations, design standards, annexation policies and procedures, etc. The CTAP program will be an incredible asset to the MIDURN sub-county areas throughout their planning and project development stage in the State's collaborative approach. In addition, the RFP process, management and assignment of consultants and collaborative work with local governments is very similar to how the State hopes to work – at a larger scale – with MIDURN communities and in establishing the multi-disciplinary state-led teams that will assist in project development and implementation, post-award. The Community Development Division's experience in this type of

coordination will be key to the process, and demonstrates capacity and expertise in this critical component of the State's approach.

Montana communities – especially those identified MID-URN areas - and state Departments routinely work together on projects. Within Montana's Emergency Response Framework (available at the following link:

http://montanadma.org/sites/default/files/MERF_2012_v1.2_0.pdf), state agencies are assigned emergency response roles described as Essential Support Functions. If called upon to assist in a local emergency, the agencies implement response plans according to those assignments. Following a disaster, Montana's DES works closely with the state's DNRC and DEQ departments to ensure that implemented response and mitigation measures are effective and contribute to the resiliency of communities. There is also solicitation and coordination between these agencies prior to a disaster occurring, and when planning and implementing mitigation projects. Regional Economic Development Corporations work closely with the Department of Commerce to implement local economic development strategies and act as liaisons between the Department, local governments and business owners. The Department of Commerce routinely works with the state DNRC and DEQ departments to fund large scale public infrastructure projects such as water and wastewater treatment facilities.

Commerce has been identified as the lead agency responsible not only for the grant application but also administration of the funding, if awarded. In demonstrating agency capacity and experience administering programs of similar scope and scale, a detailed description of the wide variety of programs, resources, and experience is provided in the paragraphs to follow. However, it is also important to note that Commerce will be aided in expertise by its partner agencies, who have a significant amount of experience and technical capacity in disaster-related

programs and projects that will contribute to the application of these grant funds. Descriptions of each partner agency's experience in this realm is also provided below; however, discussion of the management structure following grant award will be reserved solely for Department of Commerce staff and procedural considerations.

Department of Commerce Administrative Capacity

The Department of Commerce will serve as the lead agency responsible for administering grant funds awarded through this competition, the lead in the State's Resilience Program as described within this application, and lead the organizing of the multi-disciplinary teams to assist MID-URN communities in the development of their resilient projects, from planning through design development and final construction. The Department of Commerce presently administers all of the State's Community Development Block Grant programs, in addition to other HUD programs including HOME, Neighborhood Stabilization Program (NSP) and Section 8.

Beyond these HUD programs, the Department has expertise in and administers a variety of grant, loan and technical assistance programs that provide funding for planning and construction activities related to infrastructure, housing and economic development. The Department of Commerce is structured in three primary Divisions – the Community Development Division, whose staff will lead the administration and execution of these CDBG-NDRC grant funds; the Tourism and Business Division (TBD), and the Housing Division. Each Division and their staff will participate in the multi-disciplinary teams, providing technical expertise in the development of multi-faceted projects within the MIDURN communities. This technical expertise is paramount to the successful implementation of resilient projects that not only address the remaining unmet needs identified but support true economic, social, and environmental resiliency at the local level.

In addition to CDBG funds, Commerce's Community Development Division administers a variety of programs that support comprehensive community development through long range planning and the implementation of housing, infrastructure and economic revitalization at the local level. Specifically, the Treasure State Endowment Program (TSEP), the Quality Schools Program (QS), the Montana Main Street Program (MMS), the Coal Board and Hard Rock Programs, and the Community Technical Assistance Program (CTAP). TSEP currently administers \$20 million in planning and project grants related to water, wastewater, and bridge infrastructure each legislative biennium. The Quality Schools Program provides planning and project support to improve educational facilities in school districts across the state. The Montana Main Street Program provides technical assistance to eligible communities across the state, assisting with downtown revitalization, historic preservation, and community planning efforts. Additionally, the Community Technical Assistance Program provides statewide planning assistance to communities in the implementation and adoption of Growth Policies, subdivision regulations, and other planning documents and regulations. As previously mentioned, CTAP provides an enhanced level of technical assistance in the eastern portion of Montana most impacted by oil and gas development,. The Coal Board and Hard Rock Programs provide planning and project grant monies to communities impacted significantly by coal and hard rock mining operations.

The Tourism and Business Division (TBD) at Commerce oversees grants and loans that promote economic development in communities throughout the state, administering annual grant and loan funds of nearly xx dollars. The TBD also houses the Census and Economic Information Center (CEIC), which provides a wealth of data and support to state agencies and local governments. TBD's involvement in the agency-led multidisciplinary teams will be especially

important given their expertise in revolving loan programs and economic development grants programs like the Big Sky Trust Fund (BSTF). Economic revitalization assistance is also offered through a variety of programs geared specifically toward Montana's native populations, such as the Native American Collateral Support Program (NACS), the Indian Country Economic Development Program. Three of Montana's eight MIDURN sub-county areas include tribal lands, increasing the importance of these programs and their potential leveraging capabilities in the face of unmet recovery needs in tribal communities.

The Community Development Division is divided into two distinct bureaus – the Planning Bureau and the Grants Bureau. Each Bureau works closely with the other, as the grant programs and technical assistance provided by each overlap on multiple levels. The Planning Bureau has taken the lead the development of this application and the State's approach to resiliency; and will be integrally involved in the continued administration and implementation of the Resilient Montana program alongside the grants bureau.

The Community Planning Bureau is comprised of seven staff who are responsible for the administration of planning grants for three state-funded grant programs, one federally funded grant program (CDBG), and providing direct technical assistance through the CTAP program and the Montana Main Street program. Administration of these planning grant programs includes the creation of grant guidelines, selection criteria and administrative procedures. Technical assistance is provided through a variety of avenues and focuses on planning and revitalization best practices. Planning bureau staff work closely with grants bureau staff on programmatic overlap.

The Community Grants Bureau is comprised of eleven staff members who are responsible for the administration of three state-funded grant programs, two federal-funded grant programs,

two state-administered Boards, and the federal consolidated plan. This administration includes the creation of program processes and procedures that involve the review of applications, training and assistance with regulatory requirements, reporting, maintaining compliance for any program changes and record keeping. The “life span” of a project averages 5 to 7 years for state-funded programs and 10 to 20 for federal-funded programs. Consistent and reliable assistance is provided from Grants Bureau staff in collaboration with other federal and state programs to provide leverage of limited funding sources and accurate use of funds and reporting. Grants Bureau staff are experts in program management practices, such as implementation of internal control procedures, implementation of program processes, timely reporting and record keeping.

Both the Community Grants Bureau and Planning Bureaus routinely develop and update application guidelines and grant administration manual policies and procedures. They implement specific regulatory requirements applicable to any given project including staggered or planned technical assistance provided by staff throughout the life of that project, based on scope and need. Both bureaus boast trained and experienced staff that maintains an established network of partners and financial resources from various fields including housing, economic development, engineering and architecture, public and community facilities, mental and public health, local governments, community resource organizations as well as extended education and professional networks. The Community Development Division has resources available through Commerce and the Statewide network to enhance staff capabilities including legal expertise and guidance, fiscal capacity, human resources, information technology, travel and motor pool, statistical and research information (CEIC), procurement assistance. Established state-wide procurement statutes and policies are available, required and integrated into existing program

guidance to assist with the implementation of state and federal grants, including this funding (if awarded).

The Department has adopted an established electronic processes to expedite the review and approval of contracts. Additionally, the contract management processes follow internal control processes that are included as part of the program guidance for each funded project. It is also program policy to ensure consistency of contract templates to meet specific state and federal programmatic requirements. Legal review is provided in-house to ensure all contracts follow the required program standards and are updated to include necessary provisions. This is one of many established internal control processes that are consistently applied to all programs to ensure that audit standards are met. Commerce undergoes biennial audits to maintain vigilant review of financial management processes.

The Planning and Grants Bureau within Community Development have established technical assistance and monitoring processes for grant recipients, and monitor all projects to ensure compliance with state and federal regulatory requirements. There is an expectation and acceptance of staff to provide feedback and critique of internal control processes to improve established practices and demonstrate excellent outcomes.

MDOC received NSP funding in 2009 and 2011; these funds were to be implemented in an expedited manner and with regulatory requirements that HUD developed using existing federal program regulations and new program regulations. The combination of existing and new regulations coupled with the expedited timeframes created a complex program that was successfully implemented with innovated design to meet the advanced performance outcomes. Throughout the development of the NSP program, Grants Bureau staff solicited public feedback, received applications and implemented a new program that created over 250 units of affordable

housing throughout the state. Additionally, new partnerships were established that broadened the Bureau's ability to carry out other activities and programs and broadened the network of entities that participate in the Consolidated Planning process and Bureau programs.

Planning and Grants Bureau programs are subject to public review of program processes in order to be transparent to regulators and participants in the programs. The program processes include various forms of public involvement to develop, implement and report on project and program outcomes such as:

- Hearings/meetings/webinars/surveys/trainings/focus groups
- Legislative reporting
- State administrative rule making
- Grant administration policy and procedure changes
- One-on-one feedback sessions
- At the direction of the Grants Bureau and upon request from the public

Both bureaus enjoy enhanced technical capacity by having access to two engineers that regularly review project requests and preliminary design documents to provide input into the technical feasibility of proposed or funded projects, a land use attorney, AICP certified planner, and experienced grant management staff who are experts in their programs.

Standard language is included in all Commerce contracts and processes are established to follow property disposition actions. DOA has staff available to assist Commerce with the disposition actions. Nearly all grants bureau projects involve leverage other local, private, state or federal funding sources. These leverage or mixed financing projects involve expert coordination, data collection and reporting. Grants Bureau staff have attended several Uniform Relocation Act trainings and provide regular technical assistance to program participants. The

Grants Bureau administered HUD's Neighborhood Stabilization Program wherein each of the over 250 units assisted required application of URA regulatory processes and procedures.. The Grants Bureau improved and updated URA processes to achieve great compliance.

As a part of the Consolidated Plan goals and objectives, and in response to feedback received from the public, CDD programs support the use of funds for projects that will rehabilitate or reconstruct various housing, public and community facilities, and economic development projects. Grants Bureau programs specifically have experience working with projects that propose redevelopment of existing structures for a purposes that fulfill project objectives. Staff provide pre-development technical assistance, in-process guidance to ensure that all regulatory requirements are met, and upon closeout information is gathered to document the full scope of the redevelopment activity. Some past projects have included brownfields funds, which has been considered part of the leveraged funding and collaboration that occurs as part of various project activities.

Grants Bureau has developed processes to review projects as part of an underwriting process to ensure that projects have long term viability, this includes operation and maintenance practices, financial history, vacancy history, pro forma/long term projections, business plans or market studies, debt capacity, and various other financial and programmatic considerations. All programs within CDD adhere to civil rights, fair housing, ADA, political practices such as the Hatch Act, advertising of Section 3 and Disadvantaged Business Enterprises. CDD programs provide many opportunities for community engagement of program changes for application guidelines and grant administration and the consolidated plan. Also, each applicant applying for construction grant funding is required to hold public meetings to solicit feedback from the public regarding the proposed project and make modifications as applicable. Additionally, public

outreach and involvement at the planning level is required as part of any planning process or project funded through the Planning Bureau, and is often guided by statutory requirements for long range plans or regulatory decisions; Planning Bureau staff provide expertise to local governments to ensure these requirements have been met. All publications and community outreach materials are provided in alternate formats and languages and can be made accessible to individuals with communication barriers. Commerce always invites the opportunity to make accommodations for accessibility.

Planning and grants bureau staff routinely participate in regional collaboration with the NCSHA, COSCDA and Western Region COSCDA. At the State level, cross-agency program coordination is provided through involvement in W2ASACT, a group of professionals from state, federal, and non-profit organizations that finance, regulate, or provide technical assistance for community water and wastewater systems. W2ASACT meets several times a year to find ways to improve our state's environmental infrastructure. Additionally, planning and grants bureau staff participate in monthly Housing Coordinating Team meetings with the Housing Division at Commerce and other key stakeholder groups. Through the Consolidated Plan and implementation of addressing impediments to Fair Housing, Grants Bureau is working with vulnerable populations and their advocates. Montana Fair Housing office and the Human Rights Bureau participates in both of these processes.

Department of Emergency Services – Partnering Agency Experience and Expertise

The Montana Department of Emergency Services (DES), a division of the Montana Department of Military Affairs (DMA), has 24 full time employees and three additional positions. DES manages \$30 million dollars annually, and currently manages disaster grants for Recovery and Mitigation, Emergency Management Performance, Homeland Security, Pre-

Disaster Mitigation, Flood Mitigation Assistance, and Hazardous Materials Emergency Preparedness. Each grant program is responsible for its own project management in accordance with the federal guidelines. This includes awards, implementation, financial tracking, monitoring, technical assistance, quarterly reporting, reconciliation and closeout. These grant procedures have been streamlined across programs to ensure continuity of operations if needed.

The Montana Department of Military Affairs has a procurement officer on staff in their Director's Office that ensures compliance with state and federal guidelines. Montana DES has policies in place in accordance with the 2 CFR 200 in regards to accountability, quality control, monitoring, and internal audits. A desk review was just completed regarding several of Montana DES's grant programs and there were no findings.

Montana DES evaluates project outcomes by asking participants in training opportunities to complete surveys regarding these exercises. This data is sent to FEMA headquarters. All other grant programs require constant monitoring visits to ensure compliance and at time of closeout FEMA and DES determine the projects outcomes. FEMA headquarters sends a quarterly report back to DES outlining each program's outcomes. DES coordinates with FEMA and other subject matter experts to assist with providing technical assistance.

Montana DES completes an annual Threat and Hazard Identification and Risk Assessment (THIRA) annually. As part of the State's update to its Pre-Disaster Mitigation Plan, every five years DES conducts a vulnerability assessment and risk assessment for the state's natural hazards, and incorporates extreme weather events and climate change into this analysis.

Montana DES is responsible for the development of several statewide planning documents. The State Preparedness Report, Strategic Plan (statewide and internal plan), Continuity Plan (internally) are all reviewed and updated annually, The Montana Emergency Response

Framework (MERF), our state Emergency Operations Plan, is reviewed and updated biannually. The State Pre Disaster Mitigation Plan is reviewed and updated every 5 years.

Montana DES is responsible for the Flood Mitigation Assistance Grant that is only eligible to those individuals that have flood insurance. Additionally, DES provides technical assistance to local communities in their applications to FEMA for federal grants. All sub-recipients of FEMA mitigation grants are required to remain in compliance and in good standing with the National Flood Insurance Program. Montana DES does not oversee the design of projects, but supports local projects that implement green infrastructure.

Montana DES works with other state agencies to try and assist local partners in meeting match requirements for FEMA grants. DES often works with the Montana Department of Fish, Wildlife, and Parks and the Montana Department of Natural Resources and Conservation to develop diverse funding packages to support FEMA grants. Additionally, DES assists with the development, submission and process for our local partners when they implement an acquisition application. Currently, seven acquisition projects that have been approved by FEMA in the State, with four complete and three underway. Additionally, DES is currently processing applications for two jurisdictions under the Flood Mitigation Assistance Grant program and the Hazard Mitigation Grant program. Musselshell, Missoula, and Fergus Counties and the City of Deer lodge have been the recipients of acquisition projects.

Montana DES conducts public meetings and receives public input through the development and update of the statewide Pre-Disaster Mitigation Plan. Following a disaster, DES visits affected jurisdictions to discuss the process to receive FEMA Public Assistance, Individual Assistance, and Hazard Mitigation grant monies. Additionally, Montana DES has developed several community public education and outreach tools, including All Hazards School Checklists

and the mitigation education curriculum. Montana DES has produced informational displays for various conferences, including those for the Association of Montana Flood Plain Managers, the Montana Education Association, and the Montana Federation of Teachers. Montana DES also has a very active social media campaign, runs public service announcements on the Montana Public Radio Network. Montana DES also supports outreach campaigns with other agencies, such as the Governor's Office of Community Service, and the Department of Public Health and Human Service. Montana DES works closely with the Montana Department of Natural Resources and Conservation to develop specific disaster-preparedness outreach, including efforts for the National Preparedness Month, The Great Montana Shake Out, and Firewise.

At the local level, Montana DES assists with many public education and outreach programs prepared by local DES coordinators. Montana DES has 6 district field officers that attend Local Emergency Planning Committee Meetings as well and assist local DES coordinators with all areas of emergency management.

Project coordination is essential to the mission of Montana DES, as it serves as the lead emergency management agency for the state during times of natural and manmade disaster, and actively coordinates with other agencies and local governments to respond, recover and mitigate our natural and manmade disasters. Montana DES coordinates the state Emergency Support Function as well as those stakeholders that are involved with the State Emergency Response Commission. These individuals are appointed by the governor to sit on this commission and assist the state with emergency response operations. When disaster strikes, Montana DES activates the state's Emergency Support Function through the Montana Emergency Response Framework. The development of this framework required countless hours of collaboration with

other state agencies to establish guidelines. Montana DES is also the only agency that works directly with the Montana National Guard for assistance during disasters.

Department of Environmental Quality - Partnering Agency Experience and Expertise

The Montana DEQ oversees the State Superfund and Brownfields programs, assists with environmental cleanup and mitigation along Montana's major river corridors, and maintains information regarding hazardous chemical stocks located within the state. DEQ has vast knowledge and experience in preparing for and responding to disasters, both environmental and manmade. While DEQ administers a variety of grant and loan funding programs to assist with infrastructure development and improvements, the agency's partnership in the development of this application, and their continued involvement with the MIDURN communities and future project development, benefit most from staff experience on the frontlines of these events.

When the Department of Environmental Quality is activated to respond to an emergency involving environmental or energy-related impacts, the initial concerns are usually with protecting a public water supply, keeping contamination to a minimum, and gathering environmental sampling to guide decision-making in the response and recovery. During flooding, broken pipelines can release hazardous materials, such as crude oil (2011 and 2015) into major waterways. Those waterways may contain surface water intakes for public drinking water systems. If hazardous materials enter the drinking water systems, major damage can occur. Montana has experienced this event twice in less than four years, with pipeline breaks in the Yellowstone River-2011 at Laurel, MT and 2015 near Glendive, MT. The break near Glendive contaminated the drinking water treatment plant and caused a loss of water to residents. While the agency planned for response and implemented its plan successfully (2015), each response was different and required various types of expertise specific to the needs of the

situation. When contamination left the banks of the river in flood (2011), cleanup practices, field investigation, sampling and debris management were key activities. When the spill was under the ice (2015), volatile organic compounds dissolved in the water and entered the water treatment plant and caused contamination that required chemical, engineering and water quality expertise to resolve. The Department participated in incident management with staff trained in the Incident Command System.

The Montana Department of Environmental Quality has taken on numerous remediation and restoration projects throughout its history, many of which include recovery from catastrophic weather events that have included wide scale flooding. While many of these sites originate with Montana's mining history, the processes that have been undertaken have led to successful restoration of waterways that include national awards for exceptional project success.

In 2014, at the McLaren Mill Site and Tailings Impoundment, located outside of Yellowstone National Park, DEQ completed the reclamation of the McLaren Site. The McLaren Site is located at the headwaters of the Lamar River where 500,000 tons of metal-laden mine tailings were removed from the floodplain and the shallow groundwater system. The site was restored to pre-mining conditions that required soil amendments, drainage modifications, and revegetation with climate-adapted plants to enhance restoration of Soda Butte Creek and Miller Creek.

DEQ is also actively leading the restoration of 47 miles of Clark Fork River and key tributaries due to historic flooding events. Work to date includes the development of engineering plans for the removal of contaminants, with considerable focus on the re-alignment and reconstruction of natural levee systems that encourage the restoration of the riverine environment

and promote the development of a robust riparian environment along the river. Since beginning the work there has already been a noticeable return of amphibians, avian species, fishes and key macro-invertebrates to the restored river stretches. The integrated design and construction approaches foster living-river concepts that are based on decades of work experience on Montana waterways, noted for their groundbreaking approaches.

Although Montana's Petroleum Tank Release Cleanup Fund provides financial responsibility to cleanup petroleum releases at active tank facilities, the department recognized that many small businesses and individuals struggled with resources to fund the co-pay (deductible) requirements for their cleanups. In 2014, the department developed a pilot project to utilize \$400,000 in appropriated funds to assist owners of sites who could not individually fund the required work. As a result the department closed 15 release sites, removed 14 substandard underground storage tanks, and achieved the co-pay requirements at five sites where longer term cleanups are now taking place. New business processes and contracting procedures enabled the department to achieve this success within a single year and primed these properties for reuse and redevelopment to benefit communities across Montana.

Department of Natural Resources - Partnering Agency Experience and Expertise

The Montana Department of Natural Resources and Conservation (DNRC) provides expertise in floodplain and floodplain management, hydrology, forestry, and wildfire management. The DNRC's Floodplain Program works closely with the 135 National Flood Insurance Program (NFIP) communities throughout the state. The majority of the positions in the DNRC Floodplain Program are funded through FEMA and renewed annually based on approved work plans. Permitting, flood insurance, ordinance updates, substantial improvements, substantial damage, resiliency, disaster recovery, mapping needs, mapping projects, and even

mitigation activities are a few of the issues that are discussed regularly with local floodplain administrators and community stakeholders.

DNRC Floodplain staff attends meetings with elected officials and provides training and outreach on all topics associated with the NFIP at a local and a statewide level. Montana statute requires that the DNRC Floodplain program review and approve all proposed amendments and changes to local ordinances and alterations to the regulated flood hazard area. Along with established state standards, communities are required to provide a copy of all floodplain permits to the DNRC Floodplain Program. DNRC currently provides technical assistance to all 135 NFIP communities through the DNRC Regional Engineers. Community files are kept at DNRC for each participating community.

The DNRC Floodplain Program is the lead agency coordinating with the Montana Silver Jackets Program. Silver Jackets is an inter-agency program that “encourages public and private organizations and individuals to work together efficiently and effectively to manage and reduce flood risk and protect the natural and beneficial functions of floodplains in Montana.” The Montana Silver Jackets team continues to work with agencies and communities throughout the state on various projects such as the System Wide Improvement Framework (SWIF) for the Glasgow, Hill/Havre, Forsyth, and now the Vaughn Levee districts, as well as develop the Ice Jam Inundation maps for the state.

Montana DNRC actively works with local communities on updating their existing floodplain ordinances and assisting them in identifying areas of mitigation and remapping needs.

Understanding where the risk is the highest is the foundation to establishing a strong planning program to reduce risk. By identifying flood risks, DNRC helps communities understand how to build in certain areas and which areas are still in need of mitigation. Additionally, DNRC assists

communities in the implementation of flood insurance requirements through outreach and training events. DNRC helps communities and property owners understand how different building practices can increase or decrease the flood risk and insurance premiums.

Management Structure

As described above, the Community Development Division within the Montana Department of Commerce will take on the administration of the grant award and coordination of program activities, including the interdisciplinary agency teams. This is based on the extensive expertise CDD has exhibited in the administration of similar programs, including administration of all of the State's CDBG grant programs and the development of the Consolidated Plan.

Management of Montana's Resilience Program will be a joint effort between the Community Planning Bureau and the Community Grants Bureau. As previously mentioned, the planning bureau has taken the lead on preparing this application for funding and developing the State's approach to resiliency; it will be imperative from a continuity standpoint that planning bureau staff continue to coordinate with MIDURN communities, agency partners and provide technical planning expertise as part of the state-led multi-disciplinary teams. The Planning Bureau has no vacancies in FTEs at this time; the Planning Bureau Chief and two Planning Specialists will continue to serve in a management role if funds are awarded, with assistance as needed from other bureau staff including the two Division engineers and the Public Outreach specialist. Planning Bureau staff will coordinate directly with CDBG program staff in the administration of program funds; it is anticipated one CDBG Program Specialist will be devoted to resiliency grant administration, with the potential that a presently unfilled FTE could be converted to a second Program Specialist for the sole purpose of assisting in the administration

of this program. Please refer to the organizational chart provided for a detailed understanding of the Division functionality and overlap.

As described in the previous pages, the State's approach will involve multiple agency partners, with Commerce leading the overall administration and coordination of the grant funds and Resilience Program. Each agency partner has committed to providing necessary staff as part of the multi-disciplinary state-led teams, to assist MIDURNs through project planning and development. Partnering agencies will not be expected to assist in the administration of this grant. It is not anticipated that any of our agency partners would fail to act or participate in this process, as this application process is fully supported by the Governor of Montana and has been a top priority of his cabinet since September 2014. DNCR has approximately 7 FTE positions in the Floodplain, Mapping and Dam Safety Programs that may be assigned to the multi-disciplinary teams to assist MIDURN communities with project development. DES will be collaborating with potential federal funding sources such as FEMA mitigation grants. Currently DES employs a State Hazard Mitigation Officer (SHMO)/ MT DES Grants Bureau Chief and a Deputy State Hazard Mitigation Officer (DSHMO). The DSHMO is the programmatic manager for all FEMA mitigation grants open in the state. Each of these positions will be available to participate on the teams as needed. DEQ has a variety of staffing resources to available to participate in the multi-disciplinary teams, dependent on project scope and expertise needed. FWP and MDT have committed to participating in the teams as well, with appropriate staff identified following award of grant.

Additionally, the State has amassed an impressive list of public and private partners [reference Factor 4: Leverage and the Partner letters attached], that will also be involved in the multi-disciplinary teams, as appropriate, lending their expertise and assistance in the planning

and implementation of the Resilience Program alongside each MIDURN community. The State's contingency plan if any public/private Partner fails to act is to have multiple Partners with overlapping expertise, to step up and assist within the multi-disciplinary teams if an assigned Partner is unwilling or unable.

References

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Media: http://billingsgazette.com/news/local/foreclosed-on-houses-renovated-to-be-sold-by-city/article_68e8fd3d-8284-5793-a5cb-f499077da47b.html

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Phase 2 Factor 2: Need/Extent of the Problem

The State of Montana identified seven sub-county areas in the Phase 1 application that demonstrate the Most Impacted and Distressed Thresholds and have a sufficient amount of unmet recovery need to meet grant requirements. For the State's Phase 2 application submittal, an additional sub-county area has demonstrated Most Impacted and Distressed Thresholds have been met, along with a sufficient amount of unmet recovery need that would qualify their participation in the State's proposed Resiliency Program and access to funding through this competition, if awarded. A map of these sub-county areas is located on page 1 of **Attachment E – Maps and Drawings (filename AttEMapsDrawings.pdf)**. These areas are identified as follows:

1. Census Tracts 9405 & 9406, Big Horn County

This portion of Big Horn County is located entirely within the Crow Indian Reservation in south-central Montana and includes the communities of Pryor, St. Xavier, Crow Agency, and Lodge Grass, which comprise the majority of the population on this reservation. As noted on **page 3 of Exhibit B – Threshold Narrative**, this tribal community experienced damage to 248 housing units during the DR-1996 2011 Severe Storms and Flooding disaster, qualifying the area as most impacted. As these census tracts are entirely contiguous with the Crow Indian Reservation, the area qualifies as most distressed. In February of 2015, tribal leaders conducted a windshield survey of the affected area to identify homes that still had remaining unmet recovery need. In this survey 20 homes were identified as having remaining need **(reference windshield survey located in Dropbox link under filename CrowUnmetNeedWS.pdf)**. Given a lack of tribal resources to commit to a comprehensive windshield survey of the entire affected area, it is likely that many more homes remain with significant damage. Many of these homes are old settlement homes built inexpensively by the

federal government in the 1920s and 1930s that are in barely habitable condition (although in actuality, are inhabited), and lack a clear chain of ownership, making it impossible for FEMA to provide Individual Assistance to these residents.

The Crow Tribe values having homes close to the river, and is opposed to the idea of acquiring and demolishing homes located within the floodplain. This, combined with the lack of a clear title chain, makes it imperative that an innovative approach is taken in resolving the housing needs that affect low income residences on the Crow Reservation. Additionally, the tribe's major annual economic draw, the Crow Fair, is located along the Bighorn River, where the river is beginning to meander away from its established channel towards both the fairgrounds and the community of Crow Agency, threatening residences and critical infrastructure.

These census tracts are entirely located within the Crow Reservation, and therefore have unique population characteristics. Median income within these tracts are \$33,482 and \$48,627 respectively, and two of the four census block groups within these affected tracts have an LMI percentage of at least sixty percent. Big Horn County is expected to lose 41% of its population by 2060, making it imperative that measures are taken to improve its community resilience in light of this population shift. Both Big Horn County and the Crow Tribe will have a smaller resource base from which to draw as the community continues to evolve. This will continue to make disaster recovery more difficult.

2. Census Tracts 2, 9401, and 9402, Blaine County

This portion of Blaine County contains the entire Fort Belknap Indian Reservation in north central Montana and includes the communities of Hays, Lodgepole, and Fort Belknap Agency. As noted on **page 3 of Exhibit B – Threshold Narrative**, the affected census tracts

experienced \$2,640,964.22 in eligible infrastructure damage due to the DR-4127 2013 Flooding disaster, including \$2.5 million in damage to county and reservation roads and bridges. Much of this infrastructure was repaired by FEMA, but there is remaining unmet recovery need in housing. The communities affected lack both the financial resources and local capacity to fully recover from the housing issues, qualifying the area as most impacted. Additionally, while much of this census area is located within the Fort Belknap Reservation and qualifies as most distressed, other portions of the county contain State Superfund Sites to qualify those areas as most distressed (reference page 2 of Attachment E – Maps and Drawings, filename AttEMapsDrawings.pdf). In February of 2015, tribal leaders conducted a windshield survey of the affected area to identify homes, primarily in the Hays and Lodgepole areas, that still had remaining unmet recovery need. In this survey 20 homes were identified as having remaining need (reference windshield survey located in Dropbox link under filename FtBelknapUnmetNeedWS.pdf).

These census tracts are located within the Fort Belknap Reservation, and as such have a nearly 100% American Indian population. All of the census block groups located within these tracts have an LMI percentage of over 50%, with the southern portion of the reservation including the communities of Hays and Lodgepole having LMI percentages of over 75%. Blaine County is expected to experience a population increase of 22.5% by 2060, expanding its population from 6,495 to 7,958. While many of these residents will likely be located off the reservation in the surrounding communities of Chinook and Harlem, the tribe will likely experience population increase as well.

3. Census Tract 301, Fergus County

This portion of Fergus County contains the majority of Fergus County located outside of the City of Lewistown, including the towns of Denton, Winifred, Moore, and Grass Range. As noted on [page 4 of Exhibit B – Threshold Narrative](#), during the DR-1996 2011 Severe Storms and Flooding disaster, this rural area experienced \$5,789,593.62 in eligible infrastructure damage, primarily affecting county roads, bridges, and rail infrastructure. The extent of this damage qualifies the area as most impacted. Additionally, rural Fergus County contains three State Superfund sites including former mining facilities and the site of an oil spill ([reference page 2 of Attachment E – Maps and Drawings, filename AttEMapsDrawings.pdf](#)). Fergus County’s unmet recovery needs primarily lie in infrastructure. In August of 2013, TD&H Engineering completed a Preliminary Engineering Report for the Ross Fork Rail Trestle to estimate the costs of repairing damage caused to this rail link ([reference the report located in Dropbox link under filename FergusCoUnmetNeedPER.pdf](#)). This document clearly indicates that the damage was caused by the DR-1996 Severe Storms and Flooding Disaster in 2011 and estimates a cost of \$1,133,110 to repair the flood related damage to this bridge. At this time, funding has not been secured for these repairs as rail trestles generally fall outside of the scope of state grant programs. A sources and uses statement documenting this remaining unmet need is included as part of this grant application and can be referenced at the Dropbox link under filename [FergusCoUnmetNeedSourcesAndUses.pdf](#).

This census tract is located in rural Fergus County, and has a median income of \$46,266. The primary economic base of rural Fergus County is agricultural, producing large quantities of various grains. At 1.2 people per square mile, the population density in the rural county is very low, with a population of 5,008 people living in a land area only slightly smaller than the

state of Connecticut. Fergus County is projected to remain mostly stagnant between now and 2060, with an expected population growth of 3.5%, to give the total county including the county seat of Lewistown a population of 12,008.

4. Helena Valley West Central CDP, Lewis and Clark County

The Helena Valley West Central Census Designated Place is located just north of the state capital of Helena, Montana and comprises a substantial portion of the residential housing in the Helena area. As noted on page 5 of Exhibit B – Threshold Narrative, this area experienced damage to 110 housing units during the DR-1996 2011 Severe Storms and Flooding disaster, qualifying the area as most impacted. Additionally, the area has two designated State Superfund sites which qualify the area as most distressed (page 2 of Attachment E – Maps and Drawings, filename AttEMapsDrawings.pdf). Many of these homes experienced mold damage that developed as a direct result of the 2011 flooding season, and others have remaining structural damage in their basements. The residents of this area have been proactive in attempting to improve their resilience, forming a citizen-led Valley Flood Committee and working closely with Lewis and Clark County to develop a Flood Mitigation Master Plan for the area (completed in April 2013), as well as the current update to the County’s Growth Policy. However, the community has lacked the funds to fully implement these planning efforts to increase their resilience and ability to recover from future disasters. In February 2015, members of the Valley Flood Committee completed a windshield survey of their remaining unmet recovery needs under the guidance of the Lewis and Clark County Department of Emergency Services. This windshield survey identified 20 homes as having remaining unmet recovery need (reference windshield survey located in Dropbox link under filename HelenaValleyUnmetNeedWS.pdf).

The Helena Valley West Central CDP is a quickly growing area located immediately north of Helena. The community is facing strong development pressure that threatens the current agricultural character of the region. Median income is \$63,299 in this area; however, there are numerous trailer courts and other low and moderate income residents located in the immediate vicinity of Ten Mile Creek and the D2 Diversion Ditch, which are the primary causes of flooding within the Helena Valley.

5. Census Tract 1, Musselshell County

This portion of Musselshell County is primarily located outside of the town of Roundup, Montana and comprises most of the rural area in the County. As noted on [page 6 of Exhibit B – Threshold Narrative](#), during the DR-1996 2011 Severe Storms and Flooding Disaster, the community experienced \$3,670,498.30 in eligible infrastructure damage, primarily affecting city roads and bridges. The extent of this damage qualifies the area as most impacted. Additionally, the area contains three identified State Superfund Sites that are primarily the result of oil and gas spills throughout the area, qualifying the area as most distressed ([page 2 of Attachment E – Maps and Drawings, filename AttEMapsDrawings.pdf](#)).

Following the 2011 flooding season, the Lower Musselshell Conservation District prepared a report outlining the damages that were caused directly by the 2011 flooding season. This report is located at the Dropbox link under [filename MusselshellCoUnmetNeedRATTReport.pdf](#). The report discusses river avulsions that abandoned a total of 36.9 miles of river along the Musselshell River corridor, resulting in significant bank erosion, dam and diversion canal breaching, and the infiltration of noxious weeds following the flooding disaster. The author of this report recertified in March of 2015 that over \$500,000 in environmental damage remains within rural Musselshell County as a

result of the disaster. Documentation of this recertification is located at the [Dropbox link](#) under filename [MusselshellCoUnmetNeedCertification.pdf](#). Given the size of the event, state resources have been inadequate to fully restore the river to a reasonable condition.

This Census Tract, much like rural Fergus County, has a very limited population, with a population density of less than one person per square mile. Much of this population is located in the vicinity surrounding the town of Roundup along the Musselshell River, where many of the low income populations are located. The median household income in rural Musselshell County is \$53,173, but this is primarily due to the presence of a coal mine on the southern edge of the county that provides high paying jobs to many of the county's citizens. However, there are limited income opportunities for those not employed by the mine, and the northern half of Musselshell County has an LMI percentage of 70.94%.

6. Census Tract 2, Musselshell County

This portion of Musselshell County is primarily located within the town of Roundup, Montana and has been among the hardest hit communities by flooding disasters in recent years. While this area is fairly sparsely populated, many of the homes are located along the Musselshell River and were heavily damaged during the 2011 flooding season. As noted on [page 6 of Exhibit B – Threshold Narrative](#), during the DR-1996 2011 Severe Storms and Flooding Disaster, the community experienced serious damage to 44 housing units, qualifying the area as most impacted. Additionally, the area is qualified as meeting the most distressed threshold as it contains an abandoned landfill that is being actively managed as a State Superfund Site ([page 2 of Attachment E – Maps and Drawings, filename AttEMapsDrawings.pdf](#)). Much of the remaining unmet recovery need in Roundup relates to housing. In February 2015, the Mayor of Roundup and the Musselshell County Department of

Emergency Services Coordinator conducted a windshield survey and identified 12 homes with remaining unmet recovery need (reference windshield survey located in Dropbox link under filename RoundupUnmetNeedWS.pdf). This community has been particularly resilient through these last few years and has developed a local Red Cross-type volunteer organization that helps to provide and inventory supplies including food and medicine in the event of disaster.

Census Tract 2 has a median household income of \$34,219, indicating a reasonable quantity of low and moderate income individuals. This area contains many housing units located immediately adjacent to the Musselshell River, and is among the hardest hit areas in Montana during times of flood. Musselshell County is projected to lose .3% of its population between now and 2060, and this stagnant growth will constrain the community's resources as the cost to provide government services continues to increase.

7. Census Tracts 1005 & 9406, Valley County

This portion of Valley County contains the Towns of Glasgow, Fort Peck, and Nashua as well as the southeast portion of the rural county, including areas within the Fort Peck Indian Reservation. As noted on page 7 of Exhibit B – Threshold Narrative, during the DR-1996 2011 Severe Storms and Flooding Disaster, the community experienced damage to 246 housing units, qualifying the area as most impacted. Additionally, the area is qualified as meeting the most distressed threshold as it contains sixteen different State Superfund sites, including the abandoned Glasgow Air Force Base and a former Burlington Northern Rail servicing facility (page 2 of Attachment E – Maps and Drawings, filename AttEMapsDrawings.pdf). The city of Glasgow has been proactive in attempting to increase resilience, having formed a citizen-led Glasgow Levee Committee to attempt to resolve issues

with the community's levee system. In February 2015, the Valley County Department of Emergency Services Coordinator conducted a windshield survey and identified 20 homes with remaining unmet recovery need (reference windshield survey located in Dropbox link under filename ValleyCoUnmetNeedWS.pdf).

These census tracts include the city center of Glasgow, which serves as a major economic hub in sparsely-populated northeastern Montana. Additionally, the Fort Peck Indian Reservation is located in the eastern portion of these census tracts, and approximately 12% of the population of the affected census tracts is of American Indian origin. Valley County is projected to grow by about 6% over the next 60 years, increasing in population from 7,376 to 7,813. There are two concentrations of low and moderate income individuals – on the south side of the city of Glasgow along the Milk River, and within the census block group that is largely located on the Fort Peck Reservation. The portion of Glasgow that is located within an LMI area is the portion of Glasgow that is directly served by the existing Glasgow levee, and is the portion of the community that is most prone to flooding and has the least adequate stormwater infrastructure within the community.

8. Census Tracts 14.01, 19.01, and 19.02, Yellowstone County

This portion of Yellowstone County contains the City of Laurel and surrounding portions of unincorporated Yellowstone County. As noted on page 3 of Exhibit B – Threshold Narrative, the affected census tracts experienced \$9,096,544 in eligible infrastructure damage due to the DR-1996 2011 Flooding disaster, including significant damage to the City's water intake along the Yellowstone River. Additionally, the Laurel area contains seven State Superfund sites including abandoned chemical warehouses and rail facilities (reference page 2 of Attachment E – Maps and Drawings, filename AttEMapsDrawings.pdf). Laurel's unmet

recovery needs primarily lie in infrastructure. In July of 2014, FEMA and Great West Engineering completed a Preliminary Engineering Report for the City of Laurel water intake to estimate the costs of repairing damage caused to this facility ([reference the report located in Dropbox link under filename XX](#)). This document clearly indicates that the damage was caused by the DR-1996 Severe Storms and Flooding Disaster in 2011 and estimates a cost of \$9,096,544 to repair the flood related damage to this water intake. At this time, funding has not been secured for these repairs. A sources and uses statement documenting this remaining unmet need is included as part of this grant application and can be referenced at the [Dropbox link under filename LaurelUnmetNeedSourcesAndUses.pdf](#).

The Laurel community is on the west edge of fast-growing Yellowstone County, which is expected to incur a 39.2% population increase between now and 2060, growing from 148,850 residents to 206,628 residents. Laurel is located fifteen miles west of Montana's largest city, Billings, and faces strong development pressure from its growth. Much of the Laurel community qualifies as LMI, with three of six census block groups having an LMI of over 50%. These block groups are located in the immediate vicinity of the Yellowstone River, and are served by the community's water intake facility.

The State of Montana has identified these sub-county areas as the areas that meet the MID-URN thresholds ([reference MID-URN Checklist in Attachment I, filename AttMidUrnChecklist.pdf](#)). All of these areas experienced considerable infrastructure and housing loss relative to the low populations of Montana's rural counties, and meet the threshold requirement for either infrastructure or housing related unmet need. In the development of this Phase 2 application, the State began a concerted outreach effort with the 8 MIDURN areas identified, to begin broader conversations to identify unmet recovery needs and interrelated

project activities that would promote ongoing resiliency and a comprehensive approach to unmet recovery needs in the MIDURN areas identified. This outreach is discussed further in **Factor 3** to support the State’s programmatic approach to resiliency, and the value of each MIDURN as a model for similar communities statewide. The following narrative provides greater detail on the identification of resilient recovery needs within each MIDURN, the beginning stages of developing their own unique approach to resiliency at the local level, and provides the justification for the resilient project activities, or ‘buckets’, the State is presently requesting funding for [reference pg. xx in Factor 3 as well as Attachment X, BCA and Attachment XX, Budget].

During August, September, and October of 2015, the State of Montana met with each of the eight MID-URN communities to discuss impacts from the 2011 and 2013 flooding season, possible resilience measures that could be implemented, and begin to broadly identify an approach for these communities. Through this process, the State took the first step towards improving resilience by increasing statewide communication, ensuring representatives from the four different state agencies identified in Factor 1 had a presence at nearly all of these meetings.

1. Census Tracts 9405 & 9406, Big Horn County

The 3.8 million-acre Crow Indian Reservation is home to over 7,000 members of the Crow Tribe, 85% of who speak Crow as their first language. The Crow Tribe is unique in its political system, with a tribal constitution that establishes executive, legislative, and judicial branches of government, similar to the United States system. The economy of the Reservation is derived from tourism, agriculture, farming, ranching, and coal mining activities. Crow Agency is host to the annual Crow Fair and Powwow, one of the largest powwows in North America. Crow Agency is also the location of the Little Bighorn Battlefield National Monument, where

Sitting Bull and Crazy Horse led Lakota Sioux and Cheyenne warriors in defeat of General George Custer's 7th Cavalry in 1876.

The Little Bighorn River flows over 80 miles north through the Crow Indian Reservation until its confluence with the Bighorn River just outside Reservation boundaries. It supplies irrigation for agricultural lands throughout the Reservation and municipal water for Crow Agency. The majority of residents on the Reservation live along its rivers and creeks, including the largest community of Crow Agency, which lies along the banks of the Little Bighorn River. Water is central to the Tribe's creation story, and water is considered an important and respected natural resource to the Crow Tribe.

Flooding along the Little Bighorn River is frequent, with documentation of damage to the area in at least 1978, 1996, and 2011. The 2011 snowpack and spring rains resulted in severe flooding on the Little Bighorn and particularly in Crow Agency, where hundreds of people were evacuated and homes damaged. Interstate 90 was shut down for 5 days from north of Crow Agency to the Wyoming State Line, a distance of approximately 60 miles, and the BNSF railroad tracks and numerous rural roads were washed out. Based on flood photos, approximately half to three-quarters of the town was inundated by the flooded Little Bighorn River.

Access to Crow Agency during severe events is critical. The area is the centralized business community for tribal members and is the location of the tribal headquarters, the tribal college, Crow Agency elementary school, IHS hospital, nursing home, and BIA program offices. The Tribe is critically concerned that flooding will continue to impact the community, but strives to maintain its important relationship, and physical proximity to, the river.

2. Census Tracts 2, 9401, and 9402, Blaine County (Including the Fort Belknap Reservation)

The Fort Belknap Reservation, home to the Gros Ventre and Assiniboine Tribes, encompasses over 675,000 acres of mostly rolling plains. The Reservation is roughly bounded on the north by the Milk River and the south by the Little Rocky Mountains, and comprises only a small portion of the ancestral lands of the two tribes as well as the neighboring Blackfeet Tribe. The majority of the tribes' 7,000 members live in Fort Belknap Agency, on the south side of the Milk River. The smaller communities of Hays and Lodge Pole are located further to the south, in the foothills of the Little Rockies.

The Fort Belknap Indian Community's history is inextricably linked with water. After signing the treaty giving the two tribes the smaller Ft Belknap Reservation, non-Indian settlers arriving in the area to claim property under the Homestead Act began to divert and use water from the Milk River, leaving the tribes with insufficient water for agriculture and other uses. The ensuing legal battle established the famous "Winters Rights" doctrine, in which the United States Supreme Court recognized an implied water right whenever necessary for the purpose intended by Congress in establishing any federal or Indian reservation.

With unemployment at 8.9%, keeping and strengthening economic activities on the Reservation is critical to the tribes. The Reservation's main industry is agriculture, consisting of small cattle ranches, alfalfa hay for feed, and larger dry land farms. The Tribes own and manage a domesticated herd of 400 bison for meat and other related products. In 2013, the Fort Belknap Reservation became home to 34 genetically pure Yellowstone Park bison, with the intent to manage the herd as seed stock. The former Zortman-Landusky Gold Mine, which used the cyanide heap leach process to remove gold from mine waste tailings, caused extensive surface and groundwater contamination.

The Reservation has a long history of floods and flood damage on the Reservation. Storm water run-off is insufficiently managed- if at all – across the entire Reservation. Federal flood disasters were declared in Blaine and Phillips Counties (surrounding the Fort Belknap Reservation) in 1986, 1991, 1996 and 2005 while state-wide flood disasters were declared in 1978, 1981, 1984, 1986, 1997, 1998 and 2003 (DMA 2006). The Tribal Community Council has adopted a Floodplain and Floodway Management Ordinance, which identifies land use regulations to be applied to all 100-year floodplains on the Reservation. Power outages commonly affect the Reservation, as power poles and power lines are susceptible to harsh weather events and wildfires. Loss of power during a severe event results in loss of access to electricity but also, for many on the Reservation, clean water and heat.

The federal flood disaster of 2013 was typical of previous events. The highway linking the communities of Hays and Lodge Pole in the south with Fort Belknap Agency in the north was washed out at Peoples Creek, turning a 31-mile drive into a 105-mile drive. The stormwater flowed into Lodge Pole's community center, on to the small community's septic system and drainfields, then down a residential street, inundating about 15 homes. Houses in the area are still reporting water in the crawl spaces, 2 years later. The Head Start and John Capture Community Center in Hays, built in the floodplain along the path of the ____ Creek as it flows out of the Little Rockies, were both flooded. The Tribal Council plans to submit a CDBG-Indian grant application in October, seeking \$900,000 in funds to demolish and renovate the Community Center. There is talk of relocating it out of the floodplain, but that would remove this culturally and socially significant facility from the remaining residents and businesses in this very small community. The community has already identified an undersized culvert at the main creek crossing in town, and has a contractor working to estimate the costs of elevating some of the

town's structures. Closer to the Agency, water flowed into basements, along streets, and across yards trying to make its way to the Milk River.

The Tribal Council is excited about the possibility of producing a comprehensive water management plan and strategy for the entire Reservation, one that implements a green stormwater design that would generate backup power for the Reservation during severe events to help keep residents safe and healthy in the days following a large storm or run-off event. The tribes are focused on keeping power and water services intact and protecting the major community centers and other public facilities open, operating, and accessible during severe events. In this way, tribal members will become more self-sufficient, major community facilities and investments therein will be protected and can continue to serve residents, and the agricultural and other business activities critical for the Reservation can continue with limited, or no, interruption.

3. Census Tract 301, Fergus County

Fergus County is located in the heart of Montana and serves as one of the leading agricultural producers within the State. The rural county has several smaller communities, including Denton, Winifred, Moore, and Grass Range. With 5,867 people, the county seat of Lewistown is a critical regional hub.

During the 2011 flooding season, Fergus County experienced flooding along many of its waterways, resulting in millions of dollars in bridge infrastructure damage. As a rural, agricultural county, Fergus County depends on its bridges to bring resources to market and provide access to rural residences. Residents of the rural county, if not entirely isolated, had to detour as much as thirty or forty miles to travel to Lewistown or other communities. Due to the low population density of Fergus and other rural Montana counties, road maintenance swallows a

large chunk of the county budget, resulting in road networks with very limited redundancy. When a bridge fails, there often is no viable detour.

In keeping with the agricultural nature of Fergus County, streams and creeks were re-routed throughout the 19th and 20th centuries to maximize agricultural land and provide for easier irrigation. These efforts were not without consequences. East of Lewistown, Big Spring Creek, which was straightened in 1961, now has very high flood flows that lead to massive erosion, land loss, channel instability, and entrenchment. This stream bank is located immediately adjacent to a trailer court, and further stream bank erosion could threaten this project.

Fergus County would benefit from an approach that allows the community to repair and restore re-routed and otherwise eroding streams and creeks while also preserving and developing a resilient plan to improve the community's bridge infrastructure. Additionally, wastewater systems located near creeks in the rural population centers would benefit from further stream bank repair.

4. Helena Valley West Central CDP, Lewis and Clark County

Lewis and Clark County is The population of the unincorporated county is larger than the state capital (TRUE?). The County is currently in the process of updating it's comprehensive Growth Policy, which estimates that 98% of all new growth in the County over the next twenty years will be in the Helena Valley, with an additional 10,000 citizens by 2020.

The Ten Mile Creek watershed covers.... The Upper Ten Mile Creek watershed, the City of Helena's primary municipal water source, contains hundreds of abandoned mines and is threatened by critical wildfire risk due to mountain pine beetle kill in 90% of the drainage. Even in the absence of a major wildfire sweeping the area, fewer live trees has meant less water

(evapotranspiration??) absorption, which translates to higher flows into the lower watershed and the Helena Valley.

Over the past fifty years, the Helena Valley has transformed from a rural agricultural ranching community to one of the most densely populated non-incorporated areas in Montana. There are no city services – most homes rely on private wells and septic systems, with a few community wastewater treatment systems. The three Helena Valley elementary schools are overcrowded, with many children bused over an hour each way into schools in the City of Helena. Most roads are operating at or above design capacity, with inadequate funds to correct deficiencies. USDA Rural Development low-interest loans have encouraged both the proliferation of low-cost subdivisions in the area and the purchase of those homes by persons of low-to-moderate income. Homes litter the Valley floor, irrespective of development constraints such as high groundwater, floodplains, liquefaction zones, wildlife corridors, and substandard or nonexistent public services. These development constraints are exacerbated by the high wildfire risk in the surrounding mountains, where recent fires have left the hillsides denuded and susceptible to

A large part of this development pattern is the result of the County's historical failure to adopt comprehensive land use regulations to guide development away from these environmental constraints into appropriate areas and urban infill. Until 2014, state zoning law included an unconstitutional protest provision that favored large agricultural, mining, and forestry landowners, giving them almost unbridled discretion to prohibit counties from adopting zoning regulations. Despite this protest provision, the County did attempt in _____ to adopt temporary restrictions that addressed the lack of water and water quality issues from septic systems in the valley. Even this small step resulted in losses the following election.

This combination of high wildfire risk, mine tailing contamination, floodplain development, and lack of zoning has created a perfect storm for major disaster at the state capital's doorstep. In 2011, as in other areas of the state, an above-average snowpack and heavy spring rainfall led to high run-off. As in the past, Ten Mile Creek and other creeks feeding into the watershed spread quickly out of their banks and across the Valley floor, flooding basements, rendering roads impassable, and stranding residents. [NEED INFO ON WHETHER MINE TAILINGS ARE FOUND IN THE VALLEY DURING FLOOD EVENTS] As in the past, run-off was directed into the D-2 Irrigation Canal, damaging that vital agricultural infrastructure. In the far reaches of the watershed, dam flows were not adjusted, and runoff in the Valley was unable to drain into Lake Helena and onto the Missouri River.

After this most recent flood, community leaders came together to find a solution to the repetitive losses in the area. The County hired a consultant to prepare a Flood Mitigation Master Plan for the Valley. Adopted in _____, it has become the road map for making the Valley more resistant to future flooding events. As the community has gone through the plan process, it has become more open to exploring the tools available to minimize future exposure to severe events, including the adoption of land use regulations to guide future development. The community is also working closely with the D-2 Irrigation District, which owns and operates an irrigation system that winds through the Valley and empties into Lake Helena. The plan involves collaboration with the district and Northwest Energy, which owns and operates the dams that regulate the flow of water from the watershed into the Missouri River via Lake Helena.

Despite these steps, the community still needs help getting from a disaster mitigation plan to becoming truly more resilient. The community admits that with limited funding and technical assistance, it has focused on the most obvious, immediate solutions. High groundwater tables,

water quality, wildfire threats, and development constraints still need to be addressed, and the community is open to a team-approach that will provide subject-matter expertise and innovative ideas for solving problems arising from historical development patterns and forging a new vision for the future of the community. Community members and County leaders are willing to pursue zoning and other regulations in the Helena Valley that recognize environmental constraints such as floodplains and high groundwater, and guide new development appropriately. The community is motivated to work with the City and its ongoing collaboration with federal and state agencies on the Chessman Flume project to rehabilitate forest and vegetation in upper Ten Mile Creek watershed to minimize erosion, toxic mine tailings, water quality impacts, and flooding in valley, particularly in the event of severe wildfire. The County would like the input of subject matter experts and the public and private sector in developing innovative stormwater systems for the Ten Mile watershed that protects existing residents and agricultural operations, reduces the exposure of future development to severe events, and develops a collaborative interagency, public, and private partnership to protect the people, the economy, and the environment of the Ten Mile watershed.

5. Census Tract 1, Musselshell County (see below)
6. Census Tract 2, Musselshell County

The Musselshell River basin in central Montana comprises over 100,000 acres of productive agricultural lands with a combined population of just over 11,000. The Musselshell River, home to three different species of native fresh water mussels, runs over 500 miles from the Rocky Mountains, east through Montana's rich agricultural country, to its confluence with the Fort Peck Reservoir and the Missouri River.

The City of Roundup, with its 1,788 residents, is the Musselshell County seat and by far the largest settlement along the entire Musselshell River. The town, whose name comes from the cattle roundups held there in the late 1800's, was established in 1908 to serve the area's cattle, sheep ranching, and dry land farming development spurred by the Homestead Act. Coal mining was such an important part of the local economy that the town's founding fathers built the town without access to natural gas, relying instead on individual coal boilers to heat the town's homes and businesses. As the town grew, it spread out from the historic central downtown area to the west and south, within the floodplain of the Musselshell River.

In 2012, agriculture remained Musselshell County's primary economic driver. Farmers and ranchers produced almost \$40 million in agricultural products, three-quarters of which was livestock. These cattle

The Signal Peak Mine, the last remaining longwall bituminous and Montana's only underground coal mine, employs over 300 local workers with some of the highest-paying and most sought-after jobs in the state. In 1975, the Montana Legislature enacted the highest coal severance tax in the nation, and Signal Peak's severance taxes help contribute to the growth of the state's Permanent Coal Trust Fund. Since the enactment of the coal severance tax in 1975, a total of approximately \$2 billion in severance taxes has been collected in the state, with 50% going into the Permanent Coal Trust Fund. Portions of the tax are also appropriated to the Montana Coal Board for grant awards to local coal-impacted communities, including Roundup and Musselshell County, for necessary improvements to public infrastructure, facilities, and services.

The Roundup Memorial Healthcare 25-bed Critical Access Hospital and clinic serves an approximately 2,000 square mile area and provides medical services to a population of approximately 4,538 people.

On May 26, 2011, Roundup awoke to the worst flood in its recorded history, 2 feet higher than the 100-year flood level. During the night, the Musselshell River, swollen from a Rocky Mountain snowpack 212% above average, a colder than average spring, and weeks of rain, wreaked havoc within the floodplain. Bridges and roads were wiped out; water intake, pumps, and distribution lines were destroyed; houses and businesses rendered useless. Over 105 homes and at least 11 businesses were physically inundated with flood waters; other businesses were impacted by the closure of traffic routes in and out of town for at least 15 days and effects of the silt throughout the town's water system. Propane tanks were found wrapped around riparian tree branches miles downstream. The town was forced to shut down its water system pump, leaving the residents without any water for several days. Many residents were stranded for over two weeks due to a road along the Musselshell River being washed out and impassable.

As residents began to return to the devastation and begin the road to recovery, the Town was hit with another round of floods, damaging the same structures and facilities as two weeks before. This time the floods cut off the route to two full-care hospitals in Billings, turning a normal one-hour drive into a six-hour detour.

Not surprisingly, the residents of Roundup and the rural Musselshell Valley are hardy, resilient, and independent. Fed up with repetitive losses and the enormous economic shock to their close-knit community resulting from these events, the community was ready for change. The Mayor and leading community residents began to work on a plan to get Roundup out of the disaster recovery model. This resiliency grant opportunity comes on the heels of several years of

piecemeal acquisition through FEMA’s Pre-Mitigation Disaster grant program and planning for downtown revitalization and relocation of critical public facilities, housing units, and key businesses. Working with the interagency team in September, Roundup’s idea began to coalesce – complete their acquisition program to allow the Musselshell to flow into its original channel during flood events, minimizing floodwaters accumulating in the upper areas of the floodplain and reducing impacts to businesses and houses. Emphasizing the importance of keeping residents living and working in Roundup, the community brainstormed the idea of providing replacement units for low to moderate residents in rehabilitated vacant downtown historic buildings, encouraging reuse of existing structures, preserving the town’s historic center, and removing residential units from the floodplain. The town is excited and ready to implement this vision, before the next – and worse? - Musselshell River flood event. The team is ready to identify subject-matter experts that can work with community leaders, elected officials, private sector engineers, and non-profit organizations to accomplish Roundup’s vision, and show rural Montana how to create a resilient, economically vibrant town that is far more resistant to future severe events, when – not if – they come.

7. Census Tracts 1005 & 9406, Valley County

The City of Glasgow is an important regional community on Highway 2, known as Montana’s “Hi-Line.” Historically a railroad town providing services to surrounding cattle and sheep ranches, the community grew exponentially with the construction of the Fort Peck Dam in _____, the largest earthen dam in the continental United States and the first of a series of dams that provide energy and flood protection to the greater Missouri River watershed from Montana to St. Louis. Combined with the development of the Glasgow Air Force Base in _____, Glasgow became home to over _____ people.

The community realized early on the need to protect its infrastructure and residents from the unpredictable spring rains and snowpack melt flowing through the adjacent Milk River from the Canadian Rockies. In 1916, the City began to purchase right-of-way for a levee, and in 1928 it imposed a \$5 tax per lot to pay for construction of the levee. The City and residents had years before constructed a temporary dirt berm to protect from flood events that sat 10-15 feet inside the center of the legally obtained right-of-way easements for the permanent levee. When the U.S. Army Corps of Engineers began to construct the levee in 1938, the Corps used the existing berm as a starting structure, apparently assuming it reflected the right-of-way easement. This considerable miscalculation was not discovered until 2011, when the Corps inspected the levee and issued notice of encroachment violations for 56 properties along the levee with homes, garages, and other structures within the required setback for the existing levee.

If City cannot get all existing encroachments solved – either by acquisition of a new easement or removal of structures by the owners – the levee will be removed from the Corps program, and the FEMA floodplain maps will be redrawn to reflect the floodplain limits as if no levee existed. The resulting flood insurance premiums represent an impending crisis for this town that has suffered repeated hits to its local economy and community vitality.

In the meantime, the levee – despite the Corps’ long list of violations – continues to protect the downtown and surrounding residential neighborhoods, critical community facilities, and public infrastructure. When the floods of 2011 came, Glasgow locked up the levee and it worked, almost too well. Due to weeks of swollen run-off and spring rains, the ground was saturated and the water table unable to absorb any additional precipitation. In this way, Glasgow learned that its stormwater system was sorely inadequate. As the runoff poured down the hills, across the highway and railroad tracks towards the Milk River, it reached the impenetrable levee,

it stopped. With nowhere to go, it began to back up into the town. Glasgow's residents watched as the water flooded the regional hospital, the wastewater treatment system, the water system pump, local streets, and basements. Pump sumps ran 24 hours a day vainly attempting to keep structures dry. The water inundated the ballfields where the regional softball tournament was scheduled to play that weekend, resulting in over \$30,000 in lost revenues estimated to be spent in town businesses.

The City of Glasgow is at a crossroads. It needs to upgrade the historical levee, unless there is another alternative that will protect the town from the floodplains of the Milk River. It needs to resolve millions of dollars' worth of easement encroachments across 56 different landowners with varying needs and willingness to give up property that has been in the shadow of the existing levy for over a century. It needs a new stormwater system, one that will recognize the topography of an area that drains run-off into the town, behind the levee. Glasgow is ready and willing to approach this crossroads with a vision for a new future. One that will help them maintain their historic town but acknowledge the need to move important community facilities, infrastructure, and some housing out of the areas susceptible to flooding events. Working with the interagency resiliency team, the City envisions a plan for fixing the levee encroachments by working with landowners to identify those whose residences that can be replaced with new housing on subdivided property just adjacent to the elevated part of the City, owned by the school district and already served with city water and sewer. A comprehensive plan of acquisition and replacement housing will also address new locations for vital public facilities that can be relocated – the ballfields, wastewater treatment facilities, and water pump – while identifying innovated strategies for stormwater management that will protect those that can't realistically be relocated, such as the regional hospital. Without such a plan, Glasgow will likely

be left with only one change to address future severe events – expensive flood insurance premiums.

8. Census Tracts 14.01, 19.01, and 19.02, Yellowstone County

The City of Laurel is a growing community located in Yellowstone County, the most populated county in the state. Due to the growth of adjacent Billings, the community faces strong development pressures, and is actively working to balance this rapid growth with a desire to maintain a sense of community and a local identity.

During the 2011 flooding season, the Laurel water intake was severely damaged. The City of Laurel pulls its drinking water directly from the Yellowstone River, as the groundwater in this area is not suitable for drinking. The damage to this water intake was assessed at \$16 million, and an \$8 million funding shortfall remains to repair this critical infrastructure in a resilient fashion.

The water intake was damaged due to rapid flood flows along the Yellowstone River. Immediately upstream from the intake, a Burlington Northern and Santa Fe Rail Bridge and a bridge carrying Interstate 90 both cross the Yellowstone River. These facilities, while in excellent physical condition, are not designed to support high flood flows. Because of these bridges, the channel upstream from the water intake narrows considerably, resulting in incredibly high flow rates during times of flood. Due to the high value and good condition of these structures, it is unlikely that they would be moved or relocated in the foreseeable future. A hydrologic study should be conducted to determine if there are smaller improvements that can be made to improve flood flows through the area without having to invest hundreds of millions of dollars in infrastructure reinvestment.

Additionally, the water intake is located above Riverside Park, a key recreational facility for the City of Laurel and the site of a World War II PW camp. Through resilient planning and project execution, repairs to the Laurel water intake that protect this important cultural resource would help to ensure that the City of Laurel can continue to grow and develop.

As evidence by the initial consultations with each MIDURN, and due to the limited resources that each of these communities has, they typically approach disaster recovery in the most practical way they possibly can. Communities band together, work to fix problems as they occur, do their best to be self-sustaining and not rely on outside agencies, and slowly but surely recover from disaster. In many cases, these communities want to be resilient, and have a solid understanding of what it means to be resilient – what it means to have less expensive disaster recovery, avoid implementing policies that will cause problems down the road, and do as much as possible with as few resources as possible. However, given the limited populations of these communities, their resources are stretched dangerously thin following disaster, and due to aging housing and infrastructure stock constructed prior to an understanding of the costs of flood loss, these communities barely have the resources to recover from disaster, and do not have the resources to plan for future disasters and implement resilient physical measures.

With this in mind, none of Montana's MID-URN communities have had the opportunity to truly consider improving their resilience. Through the development of this grant, it became clear that Montana would be doing a disservice to these communities if we attempted to develop and plan for resilient projects in the timeframe between the Phase 1 award and the Phase 2 application deadline. Through further discussions, it was decided that the State will assemble a team of government agencies and private sector experts to develop partnerships to work with these communities in the 18 months following grant award. The state intends to use this time to

develop a meaningful project for each of the eight MID-URN communities over the course of the next eighteen months, encompassing planning, policy, design, and implementation measures with the intent to address unmet recovery needs while creating a more resilient community moving forward. Through these meetings, several different project categories were identified, including Planning, Residential Acquisition and Relocation, Commercial Acquisition and Relocation, Stormwater Management, Bank Stabilization, Flood Control, Trails & Improvements, Residential Architectural Improvements, and Critical Infrastructure. At the local level, these communities lack the capacity to design and implement these types of projects in a coordinated, concurrent manner, which is necessary in many cases to ensure meaningful . At the state level, resources are tight and innovation can be difficult to foster, so it will be essential to involve the private sector to help facilitate this process.

The idea would be to harness the spirit of these communities, and their desire to better themselves and be self-sustaining by promoting prevent over reaction, and supporting prevention in a manner that encourages proactivity, stability, innovation and measurable outcomes.

This will only be possible through the creation of a statewide Resilient Program. As Montana, as a state, has few resources relative to its very large land area, it is imperative for state agencies to coordinate resources in a more effective manner, to develop a sound approach for utilizing existing resources to extend them further, allowing for the State to provide greater impact within the MID-URN communities as well as statewide.

In total, approximately \$81 million would be necessary to support a statewide path towards a resilient Montana, while also implementing projects within MID-URN communities. This number was reached following extensive research, data collections, and meetings with each

MID-URN community and the appropriate stakeholders and representatives. The benefit-cost analysis prepared for the Resilient Montana program and included as Attachment X of this application, provides the baseline for the benefits these MIDURN communities could expect following project development and implementation of a number of qualifying resilient activities. The BCA Table and associated narrative submitted with this application provide detailed methodology on why each activity was selected and the benefits associated with each activity's implementation.

DRAFT

Phase 2 Factor 3: Soundness of Approach

Montana is a very large, very rural state; fourth largest in land mass – the equivalent of D.C. to Ohio – with only 1 million people. In addition to this broad expanse, Montana is very geographically diverse, from temperate rainforest in the far northwest to dry prairie and badlands in the east. Most of our communities are very small, with populations under 1,000. Our largest city, Billings, has just over 100,000 people. Montana is home to seven federally recognized Tribal governments, with over 2.7 million acres of land within a tribal reservation. This large geography and varied climate directly influence the natural systems and weather events such as severe storms (summer and winter), flooding, fire, earthquakes, and drought; dispersed population centers often compound the severity and amplify the residual impacts felt at the local level following a storm, flood or fire. Over the course of three years - 2011, 2012 and 2013 - Montana experienced presidentially-declared disasters involving extensive flooding and wildfire in 45 of Montana's 56 counties. In other words, approximately XX% of the state and 69.7% of the population were affected by natural disaster during this timeframe. Response to these events was exacerbated by the rural nature of our communities, the lack of consistent communication across state agencies, and between state and local agencies, and a failure to provide the expertise and support necessary to help our communities rebuild in more resilient ways. Recognizing these shortfalls as barriers to resiliency, and our ability to adapt to a changing landscape and climate in the future, is the primary reason behind the Montana's proposal to create a state-wide program to promote resiliency, engaging our MIDURN communities first and using their success to promote thoughtful planning in support of resilient outcomes across our broad expanse.

The State's Phase I application focused closely on the removal of communication barriers and access to resources, at both the state and local level, to better equip the MIDURN sub-county

areas identified, as well as all Montana communities, in the event of disaster. One of the greatest barriers to resiliency in Montana is lack of collaboration when it comes to long-range planning, which can result in short-sighted, disjointed project implementation that often lacks innovation. Moving beyond our initial intent to prepare a MID-URN or other community to face a future natural or manmade disaster with greater resilience (tenacity, pliability), the State has sought to broaden the originally described approach to ensure more meaningful impact within the MIDURN sub-county areas identified, as well as greater applicability when scaled to communities across the state, and greater value when incorporated within the culture of the partnering state agencies and how we, the state government, conduct business as a whole.

Broadly stated, Montana proposes to create a collaborative program implemented at the state level that will effectively shift the culture of Montana communities (and government agencies) toward resilient planning, development, and response in the event of disaster. The program will create and rely on a multi-disciplinary team, comprised of professionals from key state agencies as well as public and private sector industry experts, that will coordinate and work one-on-one with communities to help them identify what being resilient means to them, and how to effectively accomplish long-term resilience through a series of interrelated projects and outcomes. This collaborative discussion will begin with the identification of local impacts resulting from a recent natural or manmade event(s), understanding the interrelatedness of events over time, a community's relationship to the changing climate and the seasonal weather shifts, as well as potential stressors and policy decisions that may contribute or exacerbate impacts in the event of these changing conditions. Through this iterative process, the focused discussion of impacts will translate to identification of community-wide priorities and their relationship to one another, as well as effectiveness when applied in coordination or concurrently to one another.

The tangible outcome of this process, once applied, will incorporate planning and design development in the successful completion of comprehensive, multi-faceted projects aimed at strengthening local independence, stability, and sense of community.

In light of the State's approach, the importance of developing a personal understanding of resilience and what this means to communities at the local level cannot be stressed enough. For many communities, including the MIDURN sub-county areas identified, the term automatically translates to 'recovery' or 'mitigation'; it is new vocabulary in a state that prides itself on minimal regulation and is still coming to grips with impacts resulting from climate change, manmade or otherwise. To simply establish a program at the state level, in an effort to find and fund 'resilient' projects, would be a non-starter; in order to be truly effective, we recognized the need to work with these MIDURNs and our communities statewide to develop an understanding of the interrelatedness tied to resiliency and its four primary tenants [reference to Rockefeller resiliency wheel?]. For instance, when considering the overarching health and well-being of a community, we must take into consideration how residents make their livelihood and the availability of employment opportunities before, during, and after an event; decisions related to employment have a direct impact on economic stability, as does the availability of social services and infrastructure. Service delivery and availability of infrastructure deeply depends on integrated planning and effectual leadership, and good leaders understand what measures must be in place to protect the public health and safety. In developing the State's approach, we quickly saw that the most innovative, effective and resilient projects would come from an integrated, collaborative process where state agencies and the private sector could partner resources and expertise to help communities adopt policy where needed, plan for and execute

brick & mortar projects with the desired outcome being greater long-term impact across sectors (housing, the economy, infrastructure).

This amplified impact would not result from the typical approach to grant and loan funding currently applied in this state; the creation of a set of criteria upon which to apply a funding equation, dependent on agency and program, following an administrative process both cumbersome and, in many cases, repetitive. By leading Montana communities through an iterative process to identify project priorities, the planning and policy necessary to support these priorities long-term, and connecting them to resources and expertise to implement priorities in a collaborative manner, we're effectively streamlining the 'traditional' grant approach presently used by state agencies, and familiar to local governments and private consultants alike. The Resilient Montana Program approach seeks to streamline redundancies at the state level, capitalizing on the existing administrative resources and technical expertise each agency uses to assist communities – often on the same project or outcome, instead channeling those resources into the agency-lead multi-disciplinary team structure to complete projects faster, with less red-tape, providing greater transparency and resulting in an increased resilience at the local level. Resilience would come from collaboration – both local and state employed. While the collaborative approach would be applied through this Program specifically to start, the long-term goal would be to shift the culture of technical assistance and grant administration employed across agencies, seeking streamlined, resilience-focused solutions in all grant programs and technical assistance provided by the agencies, implementing collaborative teams to aid in planning and project development for all state and federal funds. Reference **Factor 5 narrative** for further discussion of these long term goals the State of Montana is committed to implementing, regardless of CDBG-NDR funding.

With the commencement of Phase 2 of this application process, the State has already assembled multi-disciplinary teams comprised of agency partners from DOC, DEQ, DNRC and DES to begin the conversation with our seven eligible MID-URN communities and one newly-proposed MIDURN [reference MIDURN checklist]. To date, the team has met with local community and tribal leaders, key stakeholders and affected residents to discuss in detail the impacts of their flooding disaster and how these impacts tie back to each community's health and well-being, economic vitality, infrastructure needs, environmental considerations, leadership commitment and comprehensive planning moving forward. All eight MIDURN communities that qualified under Montana's Phase I application did so under a flood event; however, unmet recovery need for each of the eight communities varies between housing and infrastructure. As discussed earlier, these conversations represent the very tip of the ice burg; one small step toward promoting a greater understanding of resiliency and its application at the local level. In the coming months, the multi-disciplinary team will grow to include subject matter experts, philanthropic and non-profit partners and additional technical support as the MIDURNs continue to hone their project proposals and begin necessary planning, pre-design and outreach activities with the assistance of CDBG-NDR funding and the appropriate leveraged resources [reference Factor 4 Leverage; schedule below]. These multi-disciplinary teams will continue to work through the planning and development stage with each MIDURN community, ultimately assisting in any related project construction to complete prioritized activities in support of long-term resilient outcomes. Throughout this process, there will be checkpoints and thresholds the participating MIDURN or community will be required to meet, to assure all 4 resiliency platforms are met (health and well-being, leadership and strategy, economy and society, and systems and services).

These MIDURN sub-county areas, and the process of identifying and implementing resiliency measures as an interdisciplinary team, will serve as the model for other similar communities in Montana. To institutionalize this shift in culture from disaster response to resilient community building, the State will leverage funding, resources and partnerships to develop an interactive website. The development of this web-based platform is key to improving social cohesion, empowering local and tribal jurisdictions to take responsibility for implementing resilient strategies in their own communities, from project inception, planning, pre-design through construction. The purpose of the website will be multi-faceted, intended to provide a one-stop-shop for information sharing between local, tribal, state and federal governments; identification and connections to public and private funding sources to allow qualifying MIDURNs and local governments statewide to build diverse funding package for project implementation; and link users to technical assistance opportunities and non-profit resources to support capacity building efforts within the community, potentially serving as a component of a project funding package, contributing to the implementation of the project and helping to offset costs.

From an administrative and budgeting standpoint, the site will be developed in phases, as the collaborative projects in each MIDURN sub-county area are developed and implemented, and as the cultural shift in state and local government slowly takes shape. It is important to note that the web platform will not be developed by the State of Montana, but will be created and housed by a **private, third-party entity** to promote transparency and innovation for this very important resource – a key element in the success of the State’s overall approach to resiliency. The intent of the website is to provide a one-stop shop for information, identify public and private funding sources, link users to non-profit and volunteer resources, all under the

collaborative framework set by the State's newly established Resilient Montana Program. In its beginning stages, the website will be used to showcase the collaborative process ongoing in each of the eight MID-URN communities as projects are identified and implemented, the idea being that we encourage communities across the state to take notice of what's happening in similar jurisdictions, become familiar with the variety of resources and the collaborative structure taking place in these jurisdictions, and begin to contemplate what a similar process might look like for them. The idea is to effectively market how a community like Roundup – with a population just under 2,000 – can take meaningful steps to increase their resiliency through innovative planning and project development, with the assistance of a multi-disciplinary team at their disposal and a variety of public and private sources of leverage to work with. By effectively marketing the process to communities that were not eligible for funding under CDBG-NDR, providing an interactive sounding board (message board, blog spot, ??), connection to alternative funding and resources, transparency throughout the process and key contacts to connect with in order to emulate similar planning and projects at the local level, the State sees the website as being one of the key tools in shifting the culture toward resiliency statewide. The process completed in collaboration with each MIDURN will be showcased on the web platform, used as a building block for other communities, and will serve as a models for resilient measures statewide. While other communities will not be eligible for assistance using CDBG-NDR funds, they will have access to the process, broad range of existing state and federal funding sources, technical assistance and financial leverage identified through these MIDURN models once the platform is complete.

Most importantly, the website will provide a bucket list of key projects and resiliency best practices, developed in partnership throughout the development of the State's Phase 2

application in coordination with each MID-URN area identified, our state partners and technical experts from DOC, DEQ, DNRC and DES, and continued consultation with our private and philanthropic partners that have been actively involved in the process to date (reference Attachment A - Partner Letters (filename AttAPartnerLetters.pdf)). Because each of our MIDURN sub-county areas qualified for funding based on Presidentially-declared flooding disasters in 2011, 2012 and 2013, the project list developed focuses solely on those resiliency projects and best practices that address remaining unmet needs related to those flood events and the MIDURNs identified. However, as the State continues to develop the Resilient Montana Program, it is our intent that other relevant disasters affecting Montana communities – fire, drought, earthquakes, severe storms, manmade/environmental threats – would also be added to the Program, with their own list bucket list of key projects and best practices that would integrate inter-disciplinary agency teams and the same collaborative approach to funding and technical assistance proposed as part of this CDBG-NDR application [cross reference Factor 5 narrative as applicable]. For the purpose of this grant proposal, we will focus on the proposed activity ‘buckets’ relating to the qualifying event – flooding – to describe how we approached resilient project development with each MIDURN, the program and project implementation schedule, budget, benefit cost analysis and consistency with other planning documents.

Upon meeting with key stakeholders in each MIDURN sub-county area – including elected officials (city and county commissioners and council members), tribal officials, public works, engineering and planning staff, local housing authorities and economic development agencies, floodplain administrators, disaster and emergency coordinators [reference Stakeholder consultation located xx]– the preliminary state team, led by representatives from Commerce, DEQ, DNRC and DES, worked to develop an integrated list of program activities that are

intended to promote resiliency and address flood-related impacts in Montana communities. The ‘buckets’, or resilient activities identified, include:

- Residential acquisition and relocation
- Commercial acquisition and relocation
- Stormwater Management & Low Impact Development Practices
- Bank Stabilization
- Flood Control Measures
- Green Infrastructure (Trails & Improvements)
- Architectural Design Alternatives
- Critical Infrastructure

These categories were selected based on the initial outreach and consultation with MIDURN areas, identification of priorities, existing planning completed, discussion of best practices in response to unmet recovery needs, and the type of activities that would result in the greatest long-term benefit to the MIDURN communities, region and state as a whole. Working with the multi-disciplinary teams assigned, the MIDURN communities will piece together a set of activities from the bucket list above that will not only assist them in addressing their remaining unmet recovery needs, but also promote comprehensive resiliency by tackling related projects and outcomes concurrently. Using additional leveraged resources ([reference Factor 4 Leverage](#)), combined with assistance from our extensive list of experienced professional partners who will be assigned to MIDURN project teams based on expertise (following the appropriate procurement process established by the State), MIDURN areas will have the tools and resources necessary to plan, develop and implement a comprehensive, multi-faceted project from start to finish ([reference schedule in pages follow](#)).

The following narrative supports the State's collaborative, activity-based approach, justifying the costs and benefits of structuring the Resilient Montana program in the manner proposed. All project activities below have been included in the Benefits/Cost Analysis prepared by the State as part of this application (reference BCA, Attachment X). Additional detail on the specific costs and benefits can be found by referencing this document, and the supporting narrative.

Residential Acquisition and Relocation

During the 2011 flooding season, homeowners in the state of Montana filed \$4.225 million worth of FEMA Individual Assistance claims, with 454 homes experiencing some level of damage. Within three of the state's MID-URN areas, there was considerable housing damage that resulted simply from homes being too close to water bodies during the flooding season. Within the Town of Roundup and portions of Musselshell County immediately outside of Roundup, a total of 56 homes, including 8 apartment units, were located within the floodplain area and experienced considerable property damage. Within the Glasgow community, another 56 homes experienced damage due to flooding, despite being located within the Glasgow levee. The simple, conventional approach would be to simply buy out these homes

However, an acquisition program would be insufficient for the promotion of resilient communities within Montana. Rural flight presents a major threat to many communities in Central Montana, where seven of Montana's eight MID-URN communities are located. According to the U.S. Census Bureau, the population of the United States is projected to increase by 29.6% by 2060. The Montana Census and Economic Information Center has compiled population projections through 2060 for each county in Montana, and a summary of those projections for MID-URN counties is located at [...]. These demonstrate considerably less growth in many of Montana's eligible communities, and this slow or negative growth threatens

the ability of communities like Roundup or Crow Agency to continue to provide services to remaining residence. Of the homes acquired Montana through FEMA acquisition programs since the 2011 flooding season, only 44.4% of those households have remained in their rural community. Many of the other homeowners have relocated to larger population centers such as Billings or Great Falls.

Any attempt to acquire homes on a large scale in rural Montana would require a consideration of this factor, and some incentive program would need to be in place to encourage people to remain in these communities, rather than promoting the perception that homeowners in floodplains are paid for the right to “leave town.” Additionally, as building costs are higher in Montana due to the rural nature, lack of skilled labor, and higher shipping costs, an incentive program would ensure that residents are actually provided with sufficient means to rebuild an equivalent home in their community, without having to flee to a larger housing market to find housing.

The acquisition of homes located within the floodplain or in flood-prone areas would not only help to revitalize the community and improve the local housing stock, but would also free valuable space for Montana’s rivers to discharge during times of flooding. For instance, in the community of Roundup, if all the residential properties were acquired, the river would have an extra 150 acres in which it could drain, which would help to protect critical infrastructure downstream that was damaged during the 2011 flooding season. During times of non-disaster, this area could serve as a park.

If Montana had the ability to acquire 112 homes in eligible MID-URN areas and relocate 50% of those homeowners to other homes within those eligible communities, this would reduce the

potential for flood insurance claims by over a million dollars and provide numerous benefits to the community as a whole.

The metric that will be used to quantify the level of impact resulting from this activity will include the following values:

- Resiliency - Loss Reduction – Quantifiable by number of homes moved out of the floodplain and no longer subject to flood risk;
- Environmental - Wetland/Riparian Area Generation – Number of acres of new wetland created as a result of acquisition and subsequent restoration;
- Social - LMI Housing – Amount of increased property tax value throughout community;
- Economic- Tax Revenue Retained – No net loss of residential tax value following acquisition and relocation

Commercial Acquisition and Relocation

In a similar vein to the problems facing residential acquisition, several businesses experienced significant damage during the 2011 and 2013 flooding season, disrupting business operations and occasionally prompting business owners to simply give up on their businesses. The Glasgow community, for instance, lost over \$30,000 in lodging costs alone when the annual regional baseball tournament was forced to be cancelled due to flooding in 2011. While \$30,000 may appear to be a minimal loss, in a small community with only one hotel/conference center, this was a devastating impact. Glasgow serves as a regional hub for northeastern Montana, so it is critical that its lodging facilities are well-supported and viable for that city to continue to function and thrive. In Roundup, a community with a population of 1,859, fifteen businesses are located within the 100-year floodplain, and all were disrupted and forced to close temporarily during the 2011 flooding events.

As a byproduct of the rural flight referenced above, many communities in central Montana are struggling to maintain viable downtowns. These communities are making attempts to revitalize – for instance, the City of Glasgow recently adopted a downtown master plan, and the Town of Roundup is in the process of developing a Growth Policy that will include a comprehensive downtown component. Glasgow actively participates in the Montana Main Street program, and Roundup has expressed interest in joining. Despite these efforts, there is a struggle to maintain and retain businesses within the downtown portions of these communities, which are both located outside of the floodplain.

Had these businesses been located outside of the floodplain, affected communities would have had significantly fewer impacts during the 2011 and 2013 flooding seasons. Additionally, if these businesses were to be incentivized to relocate to these historic downtowns, located outside of flood-prone areas, this would be of great benefit to revitalize these communities and serve to implement many of their existing planning efforts. This program would also have environmental similar benefits as those noted above.

If Montana had the ability to acquire and relocate 15 businesses from floodplains into a downtown core, this would have significant environmental benefits and help to revitalize and generate enthusiasm for these rural communities.

The metric that will be used to quantify the level of impact resulting from this activity will include the following values:

- Resiliency - Loss Reduction – Quantify by number of businesses moved out of the floodplain and no longer subject to flood risk;
- Environmental - Wetland/Riparian Area Generation – Number of acres of new wetland created as a result of acquisition and subsequent restoration;

- Social - Downtown Revitalization – Number of new businesses opened in the downtown core;
- Economic - Tax Revenue Retained – No net loss of commercial tax value following applications.

Stormwater Management

Through meetings with MID-URN communities throughout the state, it has become apparent that Montana's stormwater infrastructure is woefully inefficient and ineffective in the face of current and future disasters. This ineffective infrastructure, in many cases, exacerbates damage more than it minimizes damage. Within the community of Hays, located in the MID-URN Census Tracts on the Fort Belknap Reservation in Blaine County, undersized culverts and poorly designed storm infrastructure directly caused damage to their community center, which serves as the hub of the remote Hays community, providing internet, telephone, and mail access, and access to other critical services. This community center should not have flooded during the 2011 flooding event, but due to an undersized culvert and the lack of any other stormwater drainage infrastructure, the community center suffered substantial damage, and even now, two years after the most recent flood, still has \$20,000 worth of damage remaining. In the community of Fort Belknap Agency, a poorly engineered ditch behind the community hospital causes damage to approximately fifteen homes when the Milk River floods. The roadways surrounding these homes are located at a higher elevation than the homes, so when this ditch fills during flooding, the homes become inundated with water that is unable to drain out of this manufactured basin. Many of these homes still have standing water in their basements, four years after the flooding, due to a lack of resources. This standing water has caused many of these homes to become infested with mold, but due to a lack of sufficient housing stock, these homes remain occupied.

A re-engineering of city streets and drainage within Fort Belknap Agency could help to minimize this damage during more significant events. Additionally, this lack of proper stormwater management has caused damage to critical community infrastructure, causing Fort Belknap Agency to be placed under a boil order during the 2011 flooding season until their water facility could be repaired.

The Glasgow community experiences similar issues. During the 2011 flooding season, both the north and south sides of Glasgow experienced some level of flooding, despite being located within the Glasgow levee system. These areas contain the community's water and wastewater facilities, elementary school, the hospital, several businesses, and the city's administration building. During times of flooding, water from the levee system occasionally gets "stuck" inside of the levee, with no opportunity to drain, as Glasgow has an undeveloped stormwater system on the edges of the community.

As the state works with eligible MID-URN communities to identify projects, it will seek to implement green infrastructure and promote low impact development as a cost effective means of improving community storm drainage. If Glasgow were able to re-develop its stormwater system in a comprehensive light, this could potentially work in concert with the existing levee to provide more effective flood management, and also aid with recovery from unforeseen disasters.

The metric that will be used to quantify the level of impact resulting from this activity will include the following values:

- Resiliency - Mold Eradication – Net decrease in number of homes reporting mold damage;
- Environmental - Environmental Protection – Net increase in water quality of adjacent streams;

- Social - Improved LMI Communities – Reduction in flood insurance claims from LMI households;
- Economic - Minimized O&M Costs – Net reduction in community expenditures on stormwater O&M, when existing stormwater infrastructure is replaced or enhanced.

Bank Stabilization

A substantial portion of the infrastructure damage caused by the 2011 flooding in Roundup was directly attributable to poorly managed banks. Roundup experienced \$317,976 in infrastructure damage during the 2011 flooding season to their water and wastewater facilities. As the water and wastewater facilities in Roundup are located immediately adjacent to the Musselshell River, and the Musselshell River has experienced channel migration over the years. If coupled with other measures, such as the acquisition and relocation measure mentioned above, the combination of bank stabilization and the expansion of the floodplain could allow for the protection of this critical infrastructure.

Fergus County experienced approximately \$4.4 million dollars in flooding damage to its county road and bridge system following the 2011 floods. Much of this infrastructure damage was a direct result of channel migration and other issues that have caused the rapid erosion of county banks.

Along Machler Creek, east of Lewistown, a trailer park with dozens of trailers is dangerously close to falling into the river due to steady bank erosion on Big Spring Creek. In the 1960s, Big Spring Creek was straightened, creating rapid flood flows and allowing for the current state of deterioration. If this stream were allowed to meander, as it once did, this would help to restore critical natural habitat, reduce stream velocities, and protect surrounding properties. This could

have an added resilience benefit by providing these areas with expanded wetlands and a new trail system.

If Montana had the resources to strategically stabilize and strengthen approximately one mile of bank in eligible communities throughout the state, this would help to protect critical infrastructure, while supporting a reduction in flood flows, the development of wetlands, and benefit to wildlife habitat in areas where other resilience measures are already taking place.

The metric that will be used to quantify the level of impact resulting from this activity will include the following values:

- Resiliency - Reduced Risk to Vulnerable Infrastructure – Net reduction in Public Assistance Claims following flood events;
- Environmental – Environmental Protection – Increased fish populations;
- Social – Improved LMI Communities- Net increase in available wetland acres within LMI block groups;
- Economic – Enhanced Tourism - Increase in service business revenue in adjacent communities.

Flood Control

In 1916, the City of Glasgow surveyed and approved a centerline and right of way for a levee around the community. In 1938, the levee was completed by the U.S. Army Corps of Engineers in the area surrounding the City of Glasgow. This levee was not located in the originally surveyed centerline and right of way, resulting in several property boundary related issues. There are 56 homes located along the Glasgow levee that are considered to be encroaching on the levee, and the vast majority of these homes date to prior to 1916. This, along with several structural deficiencies, has caused the U.S. Army Corps of Engineers to threaten to decertify the

levee around Glasgow if work is not completed to improve these issues. The levee has reliably served Glasgow through flood events in 2011, 1952, 1986, 1939, and 1978, with only basement flooding occurring from waters located outside of the levee system.

Due to many years of channel rerouting to expand agricultural lands and build the interstate highway through the Helena Valley, the Helena Valley is now uniquely prone to flooding. As this area has grown and developed as Helena has expanded, this area has seen significant construction along areas that formerly served as creek channels. The community currently functions as a mix of large-lot subdivisions, trailer courts, and agricultural lands. At this time, it would likely be infeasible to relocate the thousands of people that live in this valley, so some water management and flood control measures will likely be necessary in order to promote resiliency in this area. If implemented in conjunction with land use policy changes and more localized stormwater improvements, there is potential for further reconfiguration of these manipulated channels to provide benefit and decrease the likelihood of flooding during any conceivable flooding event within this community. Policy changes would support the preservation of the agricultural character of the community in a resilient fashion, while flood control measures would help to ensure that agricultural losses are minimized during times of disaster.

The metric that will be used to quantify the level of impact resulting from this activity will include the following values:

- Resiliency - Reduced Risk to Vulnerable Infrastructure – Net reduction in Public Assistance Claims following flood events;
- Environmental – Environmental Protection – – Net increase in water quality of adjacent streams;

- Social – Improved LMI Communities- Reduction in flood insurance claims from LMI households;
- Economic – Agricultural Protection – Fewer reported crop losses.

Trails and Improvements

As a supplement to other work, such as stream bank restoration, acquisition, and flood control, the development of trails and improvements will help to provide strong social benefits to these remote communities. Most of Montana’s rural communities have underdeveloped park systems, with very limited budgets for maintenance and little understanding of the benefits and merits of easily accessible parks and trails. To help preserve rural Montana communities, such as Roundup, the development of high quality parks will help provide residents with an incentive to remain in these communities and provide some incentive for tourism. Additionally, parks and trails serve as low impact development that can be comfortably be situated within floodplains, providing significant community benefit while also benefitting the surrounding environment, providing critical habitat, allowing for natural wetlands, and creating a space for natural drainage of stormwater.

While not all land acquired through this process would likely be converted into a developed park, and most would likely remain as natural wetland, the development of a trail system within communities such as Roundup, Fergus County, and Glasgow would help to promote physical health, provide a free and local outdoor experience for LMI households, and provide a space for community events.

The metric that will be used to quantify the level of impact resulting from this activity will include the following values:

- Resiliency – See resiliency value from residential and commercial acquisition, as this bucket is interconnected;
- Environmental – See resiliency value from residential and commercial acquisition, as this bucket is interconnected;
- Social – Physical/Mental Activity Benefits – Net increase in park users within a community;
- Economic – Economic value of parkland - Increase in service business revenue in adjacent communities.

Architectural Improvements

Within some of Montana’s tribal lands, the acquisition and destruction of a home is considered to be infeasible for cultural reasons. The Crow Tribe, for instance, places great value on living near the river, and would not be receptive to the idea of acquiring and destroying homes and relocating them away from a river. In this type of instance, the community needs to consider alternative options to promote resiliency in housing beyond acquisition. The elevation of homes located near the floodplain is likely the most cost-effective way to honor and respect these cultural values while still working to minimize repetitive flood loss within these communities. The Crow Tribe would benefit considerably from an architectural incentive of some type that promotes the modification of existing homes to be more resilient, without relocating or demolishing these homes. Many of those who live along the river do not have the resources to make these improvements on their own, and even if they were interested in relocating away from the river, would not have the resources to relocate. If these architectural improvements were to be paired with other projects, such as bank stabilization and stream

restoration, the Crow Agency community could continue to thrive while maintaining its cultural values.

The metric that will be used to quantify the level of impact resulting from this activity will include the following values:

- Resiliency - Loss Reduction – Quantify by number of homes elevated;
- Environment - Environmental Protection – – Net increase in water quality of adjacent streams;
- Social - LMI Housing – Increased property tax value throughout community;
- Economic- Population Retained – No net loss of residential tax value following applications.

Critical Infrastructure

During the 2011 flooding season, communities throughout Montana experienced significant damage to their critical infrastructure. In Fergus County, the community experienced \$4.4 million in road and bridge damage due to flooding. Fergus County is a very rural, agricultural county that depends on its road and bridge infrastructure to be able to transport crops to market. In many cases, county bridges are the only access from people's homes and ranches to Lewistown, the population center within the county. Bridges are the lifeblood of a rural Montana county, and when bridges are lost the damage is incalculable to the residents of those communities. There is no way to simply remove bridges, or require farms and ranches to not develop in places where they are dependent on a bridge for escape without severely reducing the acreage of agricultural land in Montana and crippling the state's agricultural economy.

In Roundup, the highway south of the city is routinely washed out during times of flooding, preventing the community from accessing the population centers to the south and west of

Roundup, including the city of Billings. The shortest detour to avoid this flood-prone segment, to access the population centers of Billings and Helena, would increase the trip distance from 41 miles to 119 miles. This has direct impacts on the city's ability to receive services, and the possible elevation of this highway would help to ensure that water can move through the area during times of flood, while also providing a critical transportation link for the Roundup community. During times of non-disaster, this would help, in conjunction with acquisition and bank stabilization, to expand the floodplain in the community and allow water to flow more naturally.

Within the community of Laurel, the city's water intake experienced \$11 million worth of damage due to the 2011 floods. The intake will need to be relocated to a new location, where flooding will be less likely to damage that facility. Due to the presence of an interstate highway bridge and a rail trestle upstream from the intake, water flows at a very high velocity during flooding seasons. It is unlikely that a benefit-cost analysis would find removing and replacing these structures (valued at over \$100 million) to be a cost-effective option, so other measures need to be taken to ensure the resiliency of Laurel's water intake.

If these communities had the resources to repair and replace their critical infrastructure in a more resilient fashion, in concert with other measures such as bank stabilization and stream restoration, they would be able to more comfortably cope with flooding disaster, while still acknowledging their needs and constraints as a community.

The metric that will be used to quantify the level of impact resulting from this activity will include the following values:

- Resiliency - Reduced Risk to Vulnerable Infrastructure – Net reduction in Public Assistance Claims following flood event

- Environmental - Environmental Protection – – Net increase in water quality of adjacent streams
- Social – Improved LMI Communities – Infrastructure investment directly serving LMI communities
- Economic - Trip Time – Reduction in reported road/bridge closures.

Depending on the needs identified by MID-URN communities and discussion/collaboration amongst partners, projects may include (but are not limited to) property acquisition and relocation programs; broadband expansion to support technology improvements such as reverse 911 notification, interactive mapping and projection analysis to determine risk and susceptibility to fires, flooding, drought and severe storm impacts; green infrastructure technology improvements such as natural flood control devices; and alternative construction techniques for homes, business and infrastructure. The project list developed could also include an option for local governments to apply for funding to complete projects unique to their jurisdiction, prioritized through comprehensive local planning efforts and clearly supportive of long-term resiliency within the community. This would give the State desired flexibility in funding projects that would serve as models for other communities in similar situations, but that may be too unique for inclusion on a more generalized project list.

Program Schedule

The State is in the unique position of working with seven (potentially eight) qualifying MIDURN communities on the development of unique projects, as opposed to focusing on one qualifying project. Because of this, the State is requested a waiver to the expenditure deadline, to allow expenditure of grant funds through 2022 (see Waiver Request attached). Realizing that some MIDURN areas may be further along in some/all aspects of their resilient project

development, the State proposes two implementation waves (reference implementation schedule provided in Attachment X).

Budget

The State is requesting \$81 million dollars to complete all activities proposed in this application for resiliency funding. A detailed budget identifying dollar amounts for each activity requested, including planning and website development, is included in the attached budget document (reference budget attachment locate: XX).

The application contains the required Certification of Consistency with the Consolidated Plan (reference Attachments X), ensuring consistency with the planning document. As described in greater detail in Factor 5, the State recently update the Consolidated Plan, incorporating language related to the six livability principles developed by the Partnership for Sustainable Communities. The State commits to updating the Consolidated Plan within 6 months of grant award, to identify resiliency measures discussed in this application, that will impact the administration of other federally funded programs.

Both the City of Helena and the City of Laurel have adopted transportation plans that prioritize “Reducing adverse social, economic, and environmental impacts on people and communities.” More specifically, each plan goes on to describe the social and economic costs of relocation and their impact on communities, particularly low-income, ethnic, or elderly populations and small businesses that serve such populations. In addition, recognizing the potential for adverse impacts on the environment resulting from roadway relocation as a real concern. While not directly related to a flood event or natural disaster, the State will work with those MIDURN communities that have adopted transportation plans, along with the Montana

Department of Transportation, to ensure consistency with such documents as they relate to proposed planning and project work funded using CDBG-NDR dollars.

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Phase 2 Factor 4: Leverage

The State of Montana intends to leverage a variety of existing funding pools in an effort to promote statewide resiliency. Using existing grant, loan, and technical assistance pools across several state agencies, including the Montana Department of Commerce, Montana Department of Military Affairs, Montana Department of Environmental Quality, and Montana Department of Natural Resources and Conservation, the state intends to demonstrate supporting commitment and leverage across the entire state.

Direct Leverage

Trout Unlimited has committed to funding \$25,536 to support bank stabilization and stream restoration along Big Spring Creek in Fergus County. As discussed on page xx of Factor 2, this represents a key resilient project that would likely be implemented through the implementation of this program. A letter committing these funds is included in File Name (awaiting letter).

Funds have been secured from the FEMA Public Assistance program in support of the City of Laurel's water intake project. This project has not been fully funded, and is awaiting further contribution for implementation. The use of CDBG-NDR funds would allow for the completion of this resilient project that was a direct result of the 2011 flooding season. FEMA has committed \$6,548,448.00, and a letter committing these funds is included in File Name (saved in Factor 4 folder for now).

The Department of Commerce has already revised its guidelines for evaluating and awarding CDBG Planning Grants. Changes were made to the planning grant application guidelines for the 2015 Planning Grant cycle to allow for evaluation based on resilience, walkability, connection to existing planning documents, and the development of sustainable

affordable housing. These changes were made in alignment with the HUD Sustainable Communities Initiative and the State of Montana's current Consolidated Plan. In coming grant cycles, these funds will be directed to assist in project development and supplement existing planning efforts within eligible MID-URN communities.

Recently, the City of Roundup applied for \$33,750 from the Montana Department of Commerce in order to complete a Growth Policy for \$45,000. This document will include aspects related to downtown revitalization, flood prevention, and other items identified during their meeting with the State of Montana regarding this grant opportunity in August. This planning document, when completed, will help to serve as a blueprint for the administration and identification of projects. A copy of the award letter is saved to [file](#).

The cities of Harlem and Chinook in Blaine County have partnered with the city of Malta in Blaine County to develop a housing study for the Hi-Line corridor between Chinook and Malta, which will partially address housing needs on the Fort Belknap Reservation, directly adjacent to the city of Harlem. This effort has also been partially funded through CDBG planning grant funds with \$45,000 allocated to these pursuits. A copy of the award letter is saved to [file](#).

CDBG Planning Grant dollars executed following the release of the NOFA in MID-URN communities can be considered leverage, as the Department of Commerce will provide technical assistance to these entities to ensure that resilient components are integrated. Over the next few years, sixteen additional planning grants will be awarded to the MID-URN communities for a total of \$400,000 in additional leverage funds. When added to the current awards for \$33,750 and \$45,000, this provides \$878,750 in total direct leverage.

Through the Treasure State Endowment Planning Grant Program (TSEP Planning), Fergus County has already committed to developing a comprehensive Capital Improvements

Program, using \$15,000 in TSEP Planning Grant funds. This document will be critical in helping to identify bridge and other infrastructure that remains damaged following the 2011 floods, and will be of great benefit when identifying and defining an approach for that county. A copy of the award letter is saved to **file**. Also within the Fergus County MID-URN area, the Town of Denton has received an award for \$15,000 for the development of a water system Preliminary Engineering Report. This water system is located within the 100-year floodplain, and may explore resilient alternatives. A copy of the award letter is saved to **file**. Additionally, the Town of Winifred in Fergus County completed a Comprehensive Capital Improvements Plan for \$5,000 in 2015 that will help to inform the implementation of resiliency measures within that community. These grant dollars were awarded after the release of the NOFA, and can be considered direct commitments as they provide some of the much-needed initial planning work for these jurisdictions.

Additionally, TSEP Planning Grant dollars from the upcoming biennium will also be directed to the MID-URN communities to aid with planning, allowing for eight additional \$15,000 grant awards for a total of \$120,000.

The City of Glasgow is a member of the Montana Main Street Program, which promotes historic preservation and downtown revitalization. The Glasgow community can receive up to \$15,000 in Montana Main Street funds over the next few years, and these dollars will additionally go towards the promotion and framing of a resilient approach in their downtown area..

As indicated in the Sources & Uses Statement, this provides the State of Montana with \$9,724,533 in documentable direct leverage.

Supporting Commitments

Through a multi-state agency funding package, the Montana Department of Natural Resources and Conservation and the Montana Department of Commerce are providing a joint funding package of \$1,412,594 to support continued improvements to the community's water system, continuing to repair damage caused during the 2011 flooding season. This includes \$837,594 in TSEP Project Grant funding, \$125,000 in RRGL Project Grant funding, and \$450,000 in CDBG Public Facilities funding.

The guideline changes that have impacted the CDBG Planning grant program will be expanded to include the CDBG Housing and Public Facilities Project Grant pool in the next year. Each MID-URN community will be provided with the resources to apply for and secure CDBG Housing and Public Facilities project funding for four years, allowing for a total of \$14.4 million in supporting commitment from these grant resources with an average award amount of \$450,000.

This provides the state with a total of \$15,812,594 in documentable supporting commitments, providing the State with a total of \$24,311,382.50 in eligible documentable leverage. This is equivalent to 30.2% of the requested CDBG-NDR funding. **The attached Project Budget and Sources & Uses Statement provides a further breakdown explaining how these funds will be expended.**

Partner Agreements

The State has actively engaged a broad network of partners who, should the State receive funding, are committed to participate in the development of the interactive web platform and provide technical assistance and professional services to assist MID-URN communities in the implementation of resilient solutions to address unmet need, and assist communities statewide to

implement resilient solutions using a combination of existing grant dollars, leveraged resources, volunteerism and expertise. At this time confirmed partners include a variety of public, private, local and regional entities:

- Big Horn County Commissioners
- Chippewa Cree Tribe of the Rocky Boy's Reservation
- Crow Tribe of Indians
- Fergus County Commissioners
- Fergus County Disaster & Emergency Services
- Fort Belknap Indian Community Council
- Lewis & Clark County Commissioners
- Town of Nashua, MT
- City of Roundup, MT
- Valley County Commissioners
- Cossitt Consulting
- CTA Architects Engineers
- The Domestic Preparedness Assistance Center (DPAC)
- Glasgow Levee Committee
- Glasgow Reds
- Great West Engineering
- Helena Valley Flood Committee (VFC)
- Land Solutions, LLC
- Opportunity Link (serving Northcentral Montana communities)
- Snowy Mountain Development Corporation

- KLJ Engineering
- WWC Engineering

At this time, these partners have submitted partner letters, referenced in Attachment A, that demonstrate each partner's desire to participate in this program. Montana is currently working on drafting a Request for Qualifications that will be released to partners and the public to enter into firm contractual agreements with private sector partners prior to project execution. The State intends to have these agreements in place at the time of grant award. Montana is required to follow its own statutory state procurement requirements, and would be unable to do so if it reached formal partner agreements prior to conducting an RFQ.

As soon as possible, Montana will begin soliciting qualifications for private sector partners that can provide technical assistance based on their capacity to provide assistance with planning, engineering, and construction within the project categories identified in Factor 3. The RFQ will solicit a narrative response for each project skill category, and the State will procure consultants to ensure that it has an adequate number of skillsets to implement possible projects. The State will review these qualifications and procure the top scoring applicants based on these skills, their prior interest in this grant opportunity, and their general administrative capacity. This will ensure a fair and equal selection of private sector partners throughout the state in a way that meets procurement requirements. The amount of money allocated to these individual contractors will not be fixed, but will simply be limited to the amount of money awarded through this competition.

Phase 2 Factor 5: Regional Coordination and Long-Term Commitment

Through this application, the State is proposing a comprehensive approach to resiliency, one that has a direct impact not only on the qualifying MIDURN communities identified in this application, but impacts how local governments across Montana will think about resiliency in their planning and project development, and how state government will assist in more effective coordination in the delivery of technical assistance and associated funding to local governments.

As described in the State's Phase 1 application, the process Commerce and the partnering state agencies have undergone over the past 9 months to develop a meaningful approach to resiliency at both the state and local level has resulted in a significant amount of collaboration and information sharing. Regardless of whether all or part of this application receives funding, the recognition that we are working in parallel with one another, in communities on projects that overlap or indirectly relate to one another, means there is an opportunity today, right now, to streamline our service delivery as agencies and coordinate resources and expertise with an eye toward saving time and money while improving project outcomes and community resiliently. This past year, during the update of the State's Consolidated Plan for 2015-2020, the Department of Commerce chose to incorporate HUD's livability principles developed by the Partnership for Sustainable Communities to better align the myriad of grant and loan programs guided by the Consolidated Plan and their overall objectives. The result has been a shift in how Commerce administers the selection and award process for CDBG grant programs, to ensure that federal funds promote livability and economic resiliency in Montana communities. A similar shift is anticipated as a result of the coordination that has occurred to date between Commerce and its partnering agencies, as well as the public and private partners identified through this process.

As discussed in Phase I of the State's application, grant and loan assistance between agencies is frequently paired to fund infrastructure development statewide, or respond to emergency infrastructure situations; for instance, the Treasure State Endowment Program (TSEP) provides grants funds for public infrastructure projects and to respond to emergency infrastructure conditions. Applicants applying for TSEP funding typically leverage other infrastructure grant funding programs such as the Renewable Resources Grant and Loan (RRGL) program administered by the DNRC's Resource Development Bureau,. Applicants can also utilize low interest loans through the State Board of Investment to complete their funding package. Additional grant and loan funds utilized frequently as part of an infrastructure funding package include the State Revolving Fund (RLF) administered by the DEQ's Planning, Prevention and Assistance Division. Federal funding through USDA's Rural Development program along with HUD funding for CDBG public infrastructure projects is also often leveraged for these types of projects as well. The DES provides grant funding (through HMGP, PDM and FMA grants) for mitigation projects that can serves as match to CDBG grants funding related activities. The existing collaboration through the TSEP program and others will continue even if NDR funding is not awarded to the State of Montana. However, seeking to align these individual programs toward supporting resilient planning, policy and projects – similar to what occurred with the recent update of the Consolidated Plan – would ensure State agencies are united in their support of this concept, and are providing local governments with streamlined assistance and clarity in State priorities across the board.

Existing planning grant funding and technical assistance offered through the Department of Commerce – through CTAP, TSEP, CDBG, and other community development oriented programs – provide resources for communities to complete growth policies, comprehensive

capital improvement plans, downtown master plans and regional comprehensive economic development strategies – all of which should look at resilient measures that can be undertaken to lessen or eliminate impacts caused by a natural or manmade disasters and prioritize policy and project implementation that will assist a community in responding to such an event, should it occur. Similarly, the DES offers funding to assist communities in the development and update to pre-disaster mitigation plans (PDM). Communities seeking funding to complete these long range plans or develop policy as a result will benefit from coordination between DOC and DES staff moving forward, through technical assistance that identifies the parallels between these and other planning efforts, and how a growth policy or mitigation plan should address comprehensive resiliency. Technical assistance options offered through the DOC’s CTAP Program, paired with assistance provided by DNRC’s Water Resource Division staff on the development and implementation of floodplain regulations, will benefit from similar coordination and guidance on the interrelatedness of these planning documents and regulations. Since the submittal of the State’s Phase I application, Commerce has already made strides to ensure that long range plans funded through the CDBG and Main Street grant programs will look toward resilience solutions – development decisions, policy and regulation - to promote the six livability principles now integrated into Community Development’s approach. The Community Technical Assistance Program has also begun coordinating with the Montana Economic Development Association to assist with their independent community needs assessment process, to ensure it dovetails with other long range planning and policy processes such as the development of a growth policy or comprehensive economic development strategy document. Even if the State does not receive funding through this grant application, the foundation has been laid within Commerce to continue incorporation of resilient principals in all the Departments grant administration

guidelines and selection criteria. It will also be the goal for Commerce's agency partners to do the same, aligning their existing programs internally to promote these principals.

Legislative Action: On February 17th, 2015, Governor Steve Bullock signed into law Senate Bill, 5, an act providing for the establishment of and funding for deployment of all-hazard incident management assistance teams in the event of a disaster or emergency. The law also provides for expenditure authority to pay for these teams and the development of procedures related to emergency response actions to be carried out by team members (a copy of the legislation has been uploaded to the Dropbox link under filename [SB5MontanaHazardIncidentAssistTeams.pdf](#)). This legislation commits state funds and resources to quickly and effectively respond to a disaster, providing local incident management teams whose purpose is to mitigate the impacts of an incident prior to a disaster or emergency declaration. Given recent incidents involving oil spills from pipeline into the Yellowstone River, threatening the natural environment as well as community drinking water sources, this legislation seeks to respond to the emerging threat of disaster resulting from infrastructure failure. As this legislation is now present law, the Governor will have authority to deploy all-hazard incident management teams to any area within the state experiencing a locally declared disaster, which will be especially vital as the State enters the spring thaw and flooding season.

Raising standards: Incorporated cities, towns and counties in the state of Montana are required to develop and adopt subdivision regulations, in compliance with state statute and following the locally adopted growth policy, to regulate development within their jurisdictions. The CTAP Program at the DOC is finalizing an update to model subdivision regulations adopted in 2006, to be introduced in 2015 (the Phase 1 application stated introduction was set for summer 2015, but the notification of acceptance into Phase 2 of the CDBG-NDR program required the

Planning Bureau place this model document on hold through October). The model incorporates standards and best practices specific to development occurring within floodplain, the wildland urban interface (WUI) and therefore more susceptible to fire, areas prone to earthquakes and liquefaction of soils, among other natural hazards. CTAP has sought to incorporate best practices and guidance provided by the DEQ, DNRC, and Department of Transportation (MDOT), among others, in the development of this model.

For example, the DNRC Floodplain Division recently released update Floodplain Regulations, developed in conformance with statutory requirements and following FEMA's directive. Elements of the model floodplain ordinance have been incorporated into the model subdivision regulations to promote smart development decisions and protect public health and safety in the event of a disaster. Additionally, collaboration between the CTAP and Floodplain programs ensures application of these best practices will be introduced more seamlessly at the local level.

Once introduced, cities, towns and counties may voluntarily update their existing regulations to reflect the model document; CTAP will provide technical assistance by helping communities understand the best practice recommendations (that go above and beyond what may be statutorily required), and assist in the update and adoption process to encourage implementation. This technical assistance will be focused especially toward implementation in MID-URN communities identified; many of which are located in the eastern half of the state. While the model has not yet been finalized, CTAP has utilized the planning consultants described on page XX in Factor 1 to begin assisting some eastern Montana communities in the update of their regulations, using the principles and criteria presented in the draft as guidance. Given the current level of interest from communities wishing to update their regulations, the

state projects direct assistance will be provided to at least 10 communities in the northeast, southeast and central part of the state during the first 6 months of the model's introduction. Assistance will also be provided to communities who wish to update their floodplain regulations using the State DNRC's model document; at minimum, each of the MIDURN communities will be assisted in the update and adoption of this model as part of their collaborative efforts with the state's multi-disciplinary teams. However, even if grant funds are not awarded, the CTAP program and DNRC Floodplain program are committed to ensuring these and other Montana communities prone to flooding have up-to-date regulations. The State's model goes above and beyond traditional NFIP requirements for freeboard above base flood elevations, and promotes better development decisions within and adjacent to established floodplain that seek to minimize risk and protect life and property.

Resilience actions related to plan updates or alignment: As previously stated, agency representatives at DES, DEQ, DNRC and Commerce will provide technical assistance to local jurisdictions wishing to develop or update their growth policies and/or hazard mitigation plans, to ensure these documents coordinate effectively on vision, policy and implementation, and reflect the overarching goals of the community when evaluating risk and proposing resiliency measures. This shift in approach has already begun, with the future goal of incorporating resiliency into each agency's award criteria for funding. If successful, and over time, this commitment will have an impact on nearly every resident in the state of Montana, as 54 out of 56 counties have adopted growth policies and 47 counties have adopted hazard mitigation plans. This coordination would mark a sea-change in the way Montanans approach growth and development within their communities, promoting informed decision-making related to flood and fire risk, encouraging mitigation and/or limiting development and density prior to a disaster

occurring instead of simply reacting to the event. This simple action will have a significant impact on local and statewide resiliency in Montana, and is something that can and should occur regardless of whether NDR funds are awarded.

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