

**Grantee: Montana**

**Grant: B-11-DN-30-0001**

**July 1, 2015 thru September 30, 2015 Performance Report**

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**Grant Number:**

B-11-DN-30-0001

**Obligation Date:****Award Date:****Grantee Name:**

Montana

**Contract End Date:****Review by HUD:**

Reviewed and Approved

**Grant Award Amount:**

\$5,000,000.00

**Grant Status:**

Active

**QPR Contact:**

No QPR Contact Found

**LOCCS Authorized Amount:**

\$5,000,000.00

**Estimated PI/RL Funds:**

\$1,564,684.00

**Total Budget:**

\$6,564,684.00

## Disasters:

### Declaration Number

NSP

## Narratives

### Summary of Distribution and Uses of NSP Funds:

#### Montana NSP 3 Summary and Distribution of Funds

The Montana Department of Commerce (Commerce) will be administering the Neighborhood Stabilization Program 3 (NSP3) for the State of Montana. Commerce will use NSP3 funds for the purposes set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) and the implementing Federal regulations published in Federal Register 64322, Volume 75, No. 201 (the NSP3 Notice). NSP3 funds will be used to promote and stabilize Montana neighborhoods whose viability has been damaged by the economic effects of foreclosed upon and abandoned properties. Funds will also be used to demolish blighted structures or redevelop demolished or vacant properties within areas of high need.

Sub-grantees have been awarded through a two-tiered process. The initial submission of 24 'Intent to Apply' proposed projects occurred on February 28, 2011. A second competitive phase resulted in the ranking of seven NSP3 applications requesting funding. The resulting detailed award announcements are included in this submission of the substantial amendment as of June 30, 2011.

As allowed by a December 29, 2010, NSP Policy Alert, Guidance on Mapping and Needs Data for State NSP3 Action Plans, the first-tier was an 'Intent to Apply' process that allowed Commerce to gather information on potential NSP3 projects. This included intended target areas, implementation strategies, amount of leveraged funds, market analysis of preliminary activities, intended program impact, and capacity of the preliminary sub-applicants. All Intent to Apply submissions were required to include mapping of the target project areas using the HUD NSP3 mapping tool.

The Intent to Apply submission was open to any general local government, tribal government, tribal or local housing authority, non-profit or for-profit developer, or entity that proposed to carry out project activities in an NSP3 area of greatest need. Entities that submitted an Intent to Apply form could submit a competitive application during the second-tier process. Detailed submissions from the Intent to Apply process are available at <http://comdev.mt.gov/NSP/default.mcp>.

The second-tier competitive application process has determined final project awards. The competitive application was due to Commerce on May 13, 2011. Seven applications were ranked in accordance with established application criteria and NSP3 statutory requirements. As part of this June 30, 2010 NSP3 substantial amendment, Commerce is announcing the awards of NSP3 funds with the identified final projects and target area mapping data. The award of funds is contingent on HUD's approval of this substantial amendment. Additionally, Commerce is committed to fully expending all NSP3 funds on or before the statutory deadline of March 2014. Therefore, Commerce reserves the right to recapture any NSP3 funds that are unused or unobligated that will not be fully expended from any NSP3 grant recipient that will not be able to meet the conditions outlined in the grant recipient's contract with Commerce. Any recaptured NSP3 funds will be used to either increase the award amount of a previously approved grant recipient and/or fully fund additional grant applications based on ranking results. The list below identifies the awarded grant recipients and the pending grant recipients (in the order listed)

### Summary of Distribution and Uses of NSP Funds:

ceive funds only if Commerce recaptures unused or unobligated funds that will not be fully expended by March 2014.

#### NSP3 Grant Awards

Lake County	\$601,000
Butte Silver Bow County	\$2,149,000
Lewis and Clark County	\$2,000,000
Pending NSP3 Awards	
City of Kalispell	\$1,500,000



Town of Eureka \$887,190  
Mineral County \$526,000  
Anaconda Deer Lodge County \$1,139,200  
Competitive Project Selection Criteria

The six priorities described below were used to rank NSP3 competitive applications. Each criterion is designed to assure that Commerce and the awarded projects comply with the NSP3 Notice, meet applicable CDBG and NSP regulations, and give priority emphasis to areas of greatest need. Commerce reserves the right to reject any application that does not meet the NSP3 requirements or appears infeasible. If any question or concern arose during the evaluation of the application, Commerce requested additional information from the applicant. The following ranking criteria were used to determine NSP3 grant awards:

I. Neighborhood Stabilization: (150 pts.) Subgrantees and/or subrecipients documented the problems experienced in the area or community as a result of the prolonged foreclosure crisis and abandonment of properties. The subrecipients described existing or anticipated targeted improvement efforts to:

- Number of homes or rental units in foreclosure;
  - Number of homes or rental units financed by subprime mortgages;
  - Identified area that is likely to face a significant rise in rate of home foreclosures;
  - Provide housing opportunities for income eligible households;
  - Prevent additional foreclosures;
  - Encourage commercial development;
  - Ensure consistency with local housing priorities; and,
  - Provide employment opportunities for vicinity LMMI households or individuals.
- Stabilize the residential structures;

Subrecipients described the eligible activities for which NSP3 funds will be used and how those activities will effectively address the identified problems, contribute to the stabilization of the targeted neighborhoods or blocks, and/or develop new housing opportunities in the targeted neighborhoods or blocks. Effectiveness of the activities to be undertaken may be demonstrated by describing past experiences with similar activities from NSP1, CDBG, or HOME projects (either by the subrecipient or others), the measurable outcomes, and data included in the required market analysis.

II. Recognizable Impact: (150 pts.) Areas in the State of Montana that are eligible for NSP3 funds are those areas that have received a NSP3 foreclosure need score of 10 or greater (with the greatest need being 20). In order to carry out the intent of the NSP3 program per the Dodd-Frank Act, subrecipients must discuss how project activities will address the percentage of home foreclosures, homes financed by subprime mortgage related loans, and those impacted areas that are likely to face a significant rise in the rate of home foreclosures. Tegane

### Summary of Distribution and Uses of NSP Funds:

oula, MT

Administrator Contact Info: Heather McMillin, 406-532-4663, heather@homeword.org

### Summary of Distribution and Uses of NSP Funds:

submitted a market analysis to demonstrate how eligible NSP3 activities would result in a long-term, recognizable, and visible impact, as defined in the NSP3 notice, HUD mapping tools, and HUD NSP3 guidance. Preference was given to those projects that demonstrated a need for long-term affordable rental units; and those subgrantees that impact 20 percent of the real estate owned (REO) units in the targeted area. This preference can be documented with projects targeting a geographic area or clientele of high need (i.e. concentrations of lower income families and substandard housing suitable for NSP funds) and that offer a reasonable potential for generating substantial recognizable impact. Commerce has awarded NSP3 funding to three rental projects, and preference was given to the rental projects to ensure that completion of the projects and long-term affordable rents could be achieved.

All competitive applications targeted NSP3 funds to high-risk census tracts, block groups, or neighborhoods that are located within an area of greatest need; have a NSP3 need score of 10 or higher; and meet the Low, Moderate and Middle Income (LMMI) NSP National Objective. Applicants from the eligible areas will be required to utilize the HUD mapping tools and analysis and other local data (such as foreclosure filings or the number of homes in default) to define targeted areas and project activities.

III. Capacity of Applicant and Program Administrators: (100 pts.) A subgrantee must demonstrate the capacity to undertake the proposed project. NSP3 applicants are required to be knowledgeable about and adhere to laws and regulations governing the CDBG and NSP programs.

Under federal regulations and state law (Section 2-7-504, MCA), subgrantees must be able to demonstrate that their financial management system meets generally accepted accounting principles before Commerce will disburse grant funds. Commerce will consult with the Local Government Services Bureau of the Montana Department of Administration, as applicable, to determine if a local government applicant is current in completing required financial audits and submitting annual financial reports. Tribal Governments must comply with auditing and reporting requirements provided for in OMB Circular A-133.

IV. Public Participation Requirements: (50 pts.) Each applicant for NSP3 funds held at least one public hearing prior to submitting the competitive application. The hearings were held at a time and location convenient to the general public and with reasonable accommodations for disabled persons. The public hearing or meeting was conducted by the city, town, county government, or Tribal Council or Tribal Housing Authority that will sponsor the application. Preference will be given to those applicants that demonstrate a commitment to public participation through additional public meetings, workshops, outreach, and the like.

V. Assistance to Low-Income Households at or below 50% Area Median Income: (125 pts.) At least \$1,250,000 of the grant funds administered by Commerce will be used to assist individuals and families with incomes not exceeding 50% of AMI. Each subrecipient is required to use at least 27% of its funding award to assist individuals and families with incomes at or below 50% of area median income. For activities that do not benefit individual households, the activity must benefit areas in which at least 5% of the population are low income.



## Summary of Distribution and Uses of NSP Funds:

t or below 120% of area median income. Commerce did not accept competitive applications for projects that do not propose to provide at least 27% of the activity grant award to assist to households and individuals with incomes at or below 50% of area median income.

VI. Readiness to Proceed and Use of Funds: (75 pts.) Subgrantees and/or subrecipients must describe any additional funding that will be leveraged and consider all funding resources and programs available to them, including those available for energy efficiency improvements. Subrecipients must specify the area(s) in which they will expand their activities once they have impacted 20 percent of the projected REOs and have program income they can use for additional activities. All activities or projects proposed must include a budget narrative and line-item budget detailing the cost of the activity(s) and the anticipated outcomes in terms of units assisted, type of housing rehabilitated or redeveloped, the affordability range, units serving households up to 120% AMI or below 50% AMI, and the proposed end use, either for homeownership or for rental.

General Program Requirements:

This substantial amendment for final funding is based on the competitive application review as stated above and the applicant's program description demonstrating:

- The funding request is part of a comprehensive plan or strategy to stabilize a neighborhood(s) or blocks including efforts to improve living conditions, preserve affordable housing opportunities, stabilize home values, job creation and other economic development needs;
- It is feasible to use the requested funding within the required timeframe;
- The subrecipient is maximizing opportunities to leverage other private and public resources;
- The identified outcomes are achievable;
- Activities will benefit low, moderate and middle -income homebuyers and renters with household incomes not exceeding 120 percent of area median income;
- 27 percent of total grant funds will benefit low income households with incomes at 50 percent of area medium income or below, or areas in which at least 51 percent of the residents have incomes at or below 120 percent area median income;
- Subrecipients shall acquire properties at a minimum discount of 1 percent of the appraised value;
- All persons purchasing NSP3-assisted homeowner housing must receive at least 8 hours of homebuyer counseling from a HUD-approved housing counseling agency;
- Subrecipients using NSP3 funds for demolition must describe short-term and long-term plans for the use of the land. Demolition plans should include a strategy for assembling land for redevelopment and not simply demolition on a case-by-case basis;
- Subrecipients intending to use NSP3 funds for land banking must describe how the use of the land bank will facilitate housing affordable to the targeted incomes and how it will assist in stabilizing neighborhoods;
- Land banks must operate in specific, defined geographic areas;
- Subrecipients must describe any continuing affordability restrictions that they may impose beyond the minimum required in this amendment;
- Subrecipients will incorporate green/nergefficieneleents,accss ttrasit,econ

## Summary of Distribution and Uses of NSP Funds:

truction, passive solar design features, etc. in the project activities; and,

- Commerce encourages the use of non-NSP funds for conventional financing, but will not consider proposals or activities that include:
  - o Non-NSP3 or NSP3 Mortgages with balloon payments or variable interest rates; or Foreclosure prevention activities, such as providing NSP3 funds to refinance existing mortgages that currently have a subprime loan, are currently in default, or listed on the County's Notices of Trustees Sales.

NSP 3 Selected Activities

Activity Number 1

Activity Name Lake County – Charlo - Funded

Uses Select all that apply:

Eligible Use A: Financing Mechanisms

X Eligible Use B: Acquisition and Rehabilitation

Eligible Use C: Land Banking

X Eligible Use D: Demolition

Eligible Use E: Redevelopment

CDBG Activity or Activities: 24 CFR 570.201(a),(b),(i),(n); 24 CFR 570.202; 24 CFR 570.201(d)

National Objective: Low-Income Housing to Meet 25% Set-Aside (LH25)

Activity Description: The Charlo Neighborhood Improvement Program will acquire a foreclosed bank owned multifamily property located 208 Second Ave W in Charlo Montana. The current building appraises at \$180,000 but Lake County Community Housing has a buy sell for \$153,000. This building has been vacant for about one year and is deteriorated and partial or complete demolition may be required. Using local contractors, this property will either be demolished and replaced with a small unit or rehabilitated in order to provide a healthy, safe and sanitary rental property that will meet or exceed HQS standards and applicable building codes for addition to the Lake County Community Housing Development Organization's (LCCHDO) rental pool. The applicant will use at least \$162,270 to serve households that are low income to meet the NSP3 set aside requirement. HUD required impact is to stabilize zero foreclosed, abandoned or vacant units that will serve low, moderate, and middle income households, the grantee will be stabilizing 1 property.

Location Description Charlo Montana

Budget Source of Funding Dollar Amount

NSP3 \$ 601,000

Montana Board of Housing or Bank Loan \$ 60,000

Total Budget for Activity \$ 661,000

Performance Measures: 8 to 4 units to assist 8 to 4 households

Projected Start Date: September 2011

Projected End Date: December 2012

Responsible Organization





Responsible Organization

Name: Rocky Mountain Development Council

Location: P.O. Box 1717

Helena, MT

Administrator Contact Info: Gene Leuwer, 406-447-1680, gleuwer@rmdc.net

Activity Number 4

Activity Name City of Kalispell – Northwest Community Land Trust – Pending Award

Uses Select all that apply:

X Eligible Use A: Financing Mechanisms

X Eligible Use B: Acquisition and Rehabilitation

Eligible Use C: Land Banking

Eligible Use D: Demolition

Eligible Use E: Redevelopment

CDBG Activity or Activities: 24 CFR 570.206; 24 CFR 570.201(a),(b),(i),(n); 24 CFR 570.202

National Objective: Low-Income Housing to Meet 25% Set-Aside (LH25)

Activity Description: The Northwest Montana Community Land Trust (Scattered Sites) plans to provide local neighborhood recovery assistance to the areas affected by the overwhelming rise in foreclosure and property abandonment across Flathead County. A community land trust (CLT) functions to preserve public investment and to recycle and protect affordability. The CLT will acquire, rehabilitate and sell foreclosed properties in a specific targeted area. The CLT will retain ownership of the real property and sell the improvements (home) via a 99-year ground lease to an income eligible homeowner. This arrangement between the owner and the CLT will protect housing affordability in perpetuity by ensuring that the housing is made affordable to low- to moderate income persons upon the sale of, for this purpose, a single-family residential property. The resale price restrictions contained in the ground lease stipulate the resale price formula that provides for a fair return (not a "market" return) on the homeowner's investment. If funded, the applicant will use at least \$405,000 to serve households that are low income to meet the NSP3 set aside requirement. If funded, the HUD required impact is to stabilize 6 foreclosed, abandoned or vacant properties that will serve low, moderate, and middle income households, the grantee will be stabilizing 6 properties.

Location Description Kalispell Montana

Budget Source of Funding Dollar Amount

NSP3 \$ 1,500,000

Other \$ 57,000

Ground Lease Fees \$ 9,000

Total Budget for Activity \$ 2,079,000

Performance Measures: Potential of 6 units to assist 6 households

Projected Start Date: April 2011

Projected End Date: November 2012

Responsible Organization

Name: Community Action Partnership of Northwest Montana

Location: P.O. Box 8300

Kalispell, MT

Administrator Contact Info: Marney McCleary, 406-758-5411, mmccleary@kalhrdc.mt.gov

Activity Number 5

Activity Name Town of Eureka – Pending Award

Uses Select all that apply:

Eligible Use A: Financing Mechanisms

Eligible Use B: Acquisition and Rehabilitation

**Summary of Distribution and Uses of NSP Funds:**

Rehabilitation

Eligible Use C: Land Banking

Eligible Use D: Demolition

Eligible Use E: Redevelopment

CDBG Activity or Activities: 24 CFR 570.201(a),(b),(i),(n); 24 CFR 570.202

National Objective: Low-Income Housing to Meet 25% Set-Aside (LH25)

Activity Description: The Town of Eureka, Montana (Town) in partnership with Eureka Rural Development Partners (ERDP), MSU-Lincoln County Extension Office (Extension), and the Tobacco Valley Community Land Trust (TVCLT) plans to purchase and revitalize foreclosed homes on the east side of town to revitalize the neighborhood, provide low to moderate income rental housing on a long-term basis, and build capacity of the local Community Land Trust. With the assistance of the local Glacier Bank branch, ERDP and Extension will develop a series of free community based courses that focus around financial management, being a responsible tenant, and maintaining a healthy home. This project will work on developing in-fill rental housing through the acquisition, rehabilitation and rental of foreclosed properties within the town limits and will target LMI households with a focus toward development of units for Senior Housing. If funded, the applicant will use at least \$239,541 to serve households that are low income to meet the NSP3 set aside requirement. If funded, the HUD required impact is to stabilize one foreclosed, abandoned or vacant properties that will serve low, moderate, and middle income households, the grantee will be stabilizing 6 properties.

Location Description Eureka Montana

Budget Source of Funding Dollar Amount

NSP3 \$ 887,190

Other \$ 4,000

Total Budget for Activity \$ 891,190

Performance Measures: Potential of 6 units to assist 6 households

Projected Start Date: July 2011

Projected End Date: February 2013

Responsible Organization

Name: Eureka Rural Development Partners



Location: P.O. Box 1951  
Eureka, MT  
Administrator Contact Info: Tracy McIntyre, 406-297-7374, tracy@eurekardp.net  
Activity Number 6

Activity Name Mineral County – Pending Award

Uses Select all that apply:

Eligible Use A: Financing Mechanisms

X Eligible Use B: Acquisition and Rehabilitation

Eligible Use C: Land Banking

Eligible Use D: Demolition

Eligible Use E: Redevelopment

CDBG Activity or Activities: 24 CFR 570.201(a),(b),(i),(n); 24 CFR 570.202

National Objective: Low-Income Housing to Meet 25% Set-Aside (LH25)

Activity Description: The District XI Human Resource Council serves Mineral County, MT. HRC plans to purchase, rehabilitate, and resell foreclosed, abandoned or vacant single family homes to low and moderate homebuyers in the two targeted census tracts in Mineral County. Mineral County's real estate market has suffered in the past few years. There are many foreclosed, and often vacant and abandoned, housing units for sale in the County that are in need of rehabilitation. While private investors were purchasing many of these units, declining values and increased rehabilitation costs due to neglect have made it very difficult for investors to enter the market. HC plans

### Summary of Distribution and Uses of NSP Funds:

s to bring units up to Housing Quality Standards, and make additional Energy Efficiency and E-Star upgrades and improvements, through the NSP program. HRC plans to purchase and rehabilitate at least nine units during the three year program. If funded, the applicant will use at least \$142,020 to serve households that are low income to meet the NSP3 set aside requirement. If funded, the HUD required impact is to stabilize 9 foreclosed, abandoned or vacant properties that will serve low, moderate, and middle income households, the grantee will be stabilizing 9 properties.

Location Description Superior & St. Regis Montana

Budget Source of Funding Dollar Amount

NSP3 \$ 526,000

Program Income (NSP3) \$ 1,120,000

HOME DPA \$ 180,361

Total Budget for Activity \$ 1,826,361

Performance Measures: Potential of 9 units to assist 9 households

Projected Start Date: July 2011

Projected End Date: April 2013

Responsible Organization

Name: District XI Human Resource Council

Location: Missoula, MT

Administrator Contact Info: Jim Morton, 406-728-3710, jpm@hrcxi.org

Activity Number 7

Activity Name Anaconda-Deer Lodge County – Pending Award

Uses Select all that apply:

X Eligible Use A: Financing Mechanisms

X Eligible Use B: Acquisition and Rehabilitation

X Eligible Use C: Land Banking

X Eligible Use D: Demolition

X Eligible Use E: Redevelopment

CDBG Activity or Activities: 24 CFR 570.206; 24 CFR 570.201(a),(b),(i),(n); 24 CFR 570.202; 24 CFR 70.201(a),(b); 24 CFR 570.201(d); 24 CFR 570.201(a),(b),(c),(i),(n)

National Objective: Low-Income Housing to Meet 25% Set-Aside (LH25)

Activity Description: The applicant proposes to continue to partner with homeWORD, a housing non-profit, to utilize NSP3 funds to purchase foreclosed, vacant and abandoned properties in the Anaconda area. The applicant has stated that homeWORD will rehabilitate and/or demolish properties in order to bring them up to standard and remove blighted structures to improve the housing conditions of the targeted area. homeWORD proposes to continue focus on single-family development, as well as any potential rental property in need of future rehabilitation. If funded, the applicant will use at least \$307,584 to serve households that are low income to meet the NSP3 set aside requirement. If funded, the HUD required impact is to stabilize 7 foreclosed, abandoned or vacant properties that will serve low, moderate, and middle income households, the grantee will be stabilizing 7 properties.

Location Description Anaconda Montana

Budget Source of Funding Dollar Amount

NSP3 \$ 1,139,200

Other \$ 315,000

Homeowner Equity \$ 7,000

Program Income – NSP1 & NSP3 \$ 20,000

Total Budget for Activity \$ 1,481,200

Performance Measures: Potential of 7 home purchases to assist 7 households

Projected Start Date: August 2011

Projected End Date: November 2012

Responsible Organization

Name: homeWORD

Location: 127N.Higgins Ave Ste. 307

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## How Fund Use Addresses Market Conditions:

How Fund use addresses Market Conditions

Awarded projects as outlined in this amendment will provide rehabilitation or construction of housing units in markets that have been impacted by foreclosures, vacancy, abandonment or blight. Competitive applicants were required to submit market studies, and thorough analysis of community needs and factors that have affected local markets. In Montana, the factors affecting our communities were varied and included such factors as: high unemployment, affordability gap- low wages and high cost of housing and decreasing populations in smaller communities which then increases the amount of vacant homes and deteriorating structures.

The awarded projects will directly affect the markets in the communities by providing much needed rehabilitation to sites now affected by blighted, abandoned, and foreclosed vacant units. The NSP3 funds investing in these communities will provide stabilization and opportunities for safe, habitable and efficient rental units in three locations and homeownership in one location. The selection of projects and local needs were carefully reviewed to ensure the local markets will see an immediate impact in the neighborhoods from the rehabilitated or newly constructed units. The awarded projects will initially meet the HUD targeted impact and will continue to stabilize the area through continued program activities.

## Definition of Affordable Rents:

Definition of Affordable Rents

Affordable Rents

For units designated to serve households earning 50% of AMI or less, the rents will be published Low HOME Rents.

For units designated to serve households earning 51% to 80% of AMI, the maximum allowable rent will be calculated to equal 30% of 80% the area's median income for the given year.

For units designated to serve households earning 81% to 120% of AMI, the maximum allowable rent will be calculated to equal 30% of 80% the area's median income for the given year.

Continued Affordability

HUD requires that states ensure, to the maximum extent practicable and for the longest feasible term, that the sale, rental or redevelopment of abandoned and foreclosed upon homes and residential properties remain affordable to individuals or families whose incomes do not exceed 120 percent of area median income (AMI). All homebuyer and rental units assisted must include provisions for long-term affordability restrictions.

MDOC will require that all grantees adhere to the MDOC HOME Program affordability requirements and standards as further described in the Montana NSP Amendment. Any rental units assisted or developed with NSP funds fulfilling the requirements to create housing for households with incomes no greater than 50 percent AMI must remain available to households within that income limit for the duration of the MDOC HOME Program affordability period.

Updated rent limits are posted on the HUD website and available to project owners. Rents may be adjusted in accordance with the contract between the subgrantee and the owner. Any increase in rents for assisted units is subject to the provisions of existing leases and the owner must provide tenants of those units at least 30 days prior written notice before implementing any increase in rents.

Current HUD regulations state that all rental income above the amount needed for operations, maintenance, and reserves is considered program income and must follow established NSP3 guidelines. This provision does not provide for a sliding scale or shared return of those funds. Therefore, Commerce strongly encourages applicants to consider the long term feasibility of assisting rental housing using these funds.

## Ensuring Continued Affordability:

Ensure Continued Affordability

Continued Long-Term Affordability – Home Ownership

In order to meet the long-term affordability requirements, Commerce will require NSP3 assisted homeownership to utilize the HOME standards at 92.252 (a), (c), (e), and (f), and 92.254, including:

- The housing must be modest housing;
  - o Subrecipients must provide a detailed list of rehabilitation work to Commerce for review and approval prior to work beginning; and,
  - o The purchase price/after rehabilitation value cannot exceed 95% of the median purchase price for the area as contained in the Single Family Mortgage Limits under Section 203(b) of the National Housing Act (which can be obtained from HUD or Commerce or Appendix E);
- The housing must serve a household with incomes at equal to or less than 120% of area median income;
- Housing must be the principal residence of the family throughout the period of affordability; and,
- Affordability of owner-occupied housing will be guaranteed by use of a deed restriction recorded against the property. Each subrecipient will design its own recapture or resale provisions, for review and approval by Commerce, which will be applied uniformly within their program.

All homebuyer units assisted with NSP3 funds must include provisions for long-term affordability restrictions meeting the following minimum requirements:

Subsidy Amount (amount of NSP assistance provided to a homebuyer) Minimum Affordability Period

Under \$15,000 5 years

\$15,000 – \$40,000 10 years

Over \$40,000 15 years

New Construction or Acquisition of Newly

Constructed Single Family Housing (any \$ amount) 20 years

While these are minimum requirements, the applicant may choose to implement more stringent affordability requirements than the minimum listed here (with review and approval by Commerce) to ensure that the properties remain affordable for as long as possible.

Proceeds from resale where subsidy recapture provision is used can be reinvested in eligible NSP3 activities within the established period of affordability. If the grantee chooses not to use recaptured funds for an eligible NSP3 activity, those funds or proceeds or program income must be returned to the subgrantee or Commerce as outlined in the subrecipients program income plan. Commerce may choose to reinvest those funds or proceeds for eligible NSP3 activities in other areas that were



identified as areas of greatest need or return such amounts in accordance with the NSP3 Notice.

Updated rent limits are posted on the HUD website and available to project owners. Rents may be adjusted in accordance with the contract between the subgrantee and the owner. Any increase in rents for assisted units is subject to the provisions of existing leases and the owner must provide tenants of those units at least 30 days prior written notice before implementing any increase in rents.

Current HUD regulations state that all rental income above the amount needed for operations, maintenance, and reserves is considered program income and must follow established NSP3 guidelines. This provision does not provide for a sliding scale o

### **Ensuring Continued Affordability:**

r shared return of those funds. Therefore, Commerce strongly encourages applicants to consider the long term feasibility of assisting rental housing using these funds.

### **Definition of Blighted Structure:**

Definition of Blighted Structure

Under NSP3, structures must be "blighted" to qualify for demolition (Eligible Activity 'D'). The definition of Blighted Structures is: Structures that would follow the definition under MCA 7-15-4206 part (a): "Blighted Structure" means a structure that is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, that substantially impairs or arrests the sound growth of the city or its environs, that retards the provision of housing accommodations, or that constitutes an economic or social liability or is detrimental or constitutes a menace to the public health, safety, welfare and morals in its present conditions and use by reason of substantial physical dilapidation, deterioration, age, obsolescence, or defective construction, material, and arrangement of buildings or improvements, whether residential or non-residential.

### **Procedures for Preferences for Affordable Rental Dev.:**

Procedures for preference for Affordable Rental development

Seven competitive applications were submitted to Commerce for review and ranking to awarding NSP 3 funds. Of the three awarded projects, two will provide rental housing opportunities in these communities creating a minimum of 34 assisted households. Projects were ranked and preference given to rental projects if a rental focus was the outcome of the project and could achieve the impact intended for NSP3 funds. This preference will ensure that the completion of the projects providing sustainable rental units with long-term affordable rents to income eligible residents.

### **Housing Rehabilitation/New Construction Standards:**

Housing Rehab/New Construction Standards

NSP3 housing rehabilitation or related redevelopment activities must focus on bringing housing units up to current code standards by addressing structural deficiencies, upgrading electrical systems, plumbing, and roofing, or incorporating energy conservation measures. Housing rehabilitated with NSP3 funding must meet all applicable local codes, rehabilitation standards, ordinances, and zoning at the time of project completion. All housing assisted with NSP funds must meet, at a minimum, the Housing Quality Standards in 24 CFR Part 982.401. In addition, all gut rehabilitation (i.e., general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls) or new construction of residential buildings up to three stories must be designed to meet the standard for Energy Star Qualified New Homes.

Gut or full rehabilitation or new construction of multifamily housing structures of four or more floors must be designed to meet American Society of Heating, Refrigerating, and Air- Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy.)

Other (less than full rehabilitation) rehabilitation must meet these standards to the extent applicable to the rehabilitation work undertaken, e.g. replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-46 labeled products. Water efficient toilets, showers, and faucets, such as those with the WaterSense label, must be installed.

Applicants are advised to review Attachment C of the NSP3 Notice found at

<http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoods/pg/5447-N-01NSP3Notice100810.pdf> for additional

information on recommended energy efficient and environmentally friendly green elements. Competitive applications should include a narrative that addresses these additional elements. Competitive applicants are encouraged to exceed these standards through the scoring criteria by awarding points for projects that achieve LEED, Green Communities, or National Association of Homebuilder's National Green Building Standard Certification.

Rehabilitation improvements must meet or exceed requirements contained in current editions of the HUD Section 8 Housing Quality Standards (or FHA equivalent standards) and the following most current codes adopted by the Building Codes Bureau of the Montana Department of Labor and Industry (MDLI):

- ? International Building Code,
- ? International Residential Code, (one and two-family dwellings and townhouses up to three stories in height)
- ? International Existing Building Code,
- ? Uniform Plumbing Code,
- ? International Mechanical Code,
- ? International Fuel Gas Code,
- ? National Electrical Code,
- ? International Energy Conservation Code; and
- ? American Society of Engineers, Boiler and Pressure Vessel Code.

Note on Energy Conservation: Communities proposing rehabilitation or new construction of residential housing units should pay particular attention to the most c



**Housing Rehabilitation/New Construction Standards:**

urrent edition of the International Energy Conservation Code.

For all areas outside the boundaries of Montana’s tribal reservations, permits must be obtained from the MDLI, Building Codes Bureau for all electrical and/or plumbing work (and a licensed plumber or electrician must perform the work). Rehabilitation involves structures with five or more units, or any commercial or public buildings undertaken with NSP funds unless the grant recipient has been certified by the Bureau to enforce the codes cited above. The Building Codes Bureau maintains a listing of Montana counties and incorporated municipalities, certified to enforce building, electrical, mechanical, and plumbing codes. For those structures falling within Montana’s tribal reservations, tribal ordinances and related requirements apply.

Grantees will be responsible for assuring that proper authorities inspect such work. Options to provide code inspection may include interlocal agreements with governments that have existing building departments, arrangements with MDLI's Building Codes Bureau, or by contracting with qualified, private sector persons.

For further information, please contact:

Building Codes Bureau/Montana Dept of Labor & Industry  
 301 South Park, Room 430 -- P.O. Box 200517  
 Helena, MT 59620-0517  
 Phone: (406) 841-2300  
 Website: [http://mt.gov/dli/bsd/bc/bs\\_index.asp](http://mt.gov/dli/bsd/bc/bs_index.asp)

**Vicinity Hiring:**

Vicinity Hiring

Vicinity Hiring Program Requirement: As required in the Dodd-Frank Act and the NSP3 Notice, subrecipients shall, to the maximum extent feasible, provide for the hiring of employees who reside in the vicinity or contract with small businesses that are owned and operated by persons residing in the vicinity of projects funded with NSP3. “Vicinity” is defined as each NSP3 target area. If subrecipients are unable to provide hiring or business opportunities to residents in the vicinity of the project, they must encourage employment of Section 3 residents and Section 3 businesses. The following are suggested procedures:

- Outreach to workforce services, commercial associations, local churches, civic clubs, and other agencies/organizations;
- Identify business phone numbers, search zip code lists;
- Develop email distributions or mailers;
- Utilize employment agencies;
- Develop documents such as flyers, program sheets, and other general materials that provide additional information to community members; and
- Citizen participation process

**Grantee Contact Information:**

Grant Contacts

Jurisdiction & NSP Grantee: State of Montana – Montana Department of Commerce

Contact Persons :

Jennifer Olson – Grants Bureau Chief, Community Development Division

o Email: [jeolson@mt.gov](mailto:jeolson@mt.gov)

o Phone: (406) 841-2773

Becky Anseth – NSP Program Manager

o Email: [banseth@mt.gov](mailto:banseth@mt.gov)

o Phone: (406) 841-2865

Lisa Huff – NSP Program Specialist

o Email: [lhuff@mt.gov](mailto:lhuff@mt.gov)

o Phone: (406) 841-2794

Mailing Address : Department of Commerce – Community Development Division

301 South Park Ave; P.O. Box 200523

Helena, MT 59620-0523

Phone : (406) 841-2770

Fax : (406) 841-2771

Email: [docnsp@mt.gov](mailto:docnsp@mt.gov)

Web Address for NSP Amendment: <http://comdev.mt.gov/NSP/nsp3amendment.mcp>

Web Address for Action Plan: <http://comdev.mt.gov/Grantsbureau/grantsbureau.mcp>

Web Address for Additional Materials: <http://comdev.mt.gov/NSP/default.mcp>

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$6,564,682.00
<b>Total Budget</b>	\$0.00	\$6,564,682.00
<b>Total Obligated</b>	\$0.00	\$6,564,682.00
<b>Total Funds Drawdown</b>	\$0.00	\$6,564,682.00
<b>Program Funds Drawdown</b>	\$0.00	\$5,000,000.00
<b>Program Income Drawdown</b>	\$0.00	\$1,564,682.00
<b>Program Income Received</b>	\$0.00	\$1,564,682.00
<b>Total Funds Expended</b>	\$0.00	\$6,346,709.00



<b>Match Contributed</b>	\$0.00	\$0.00
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## Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$750,000.00	\$0.00
Limit on Admin/Planning	\$500,000.00	\$475,811.53
Limit on State Admin	\$0.00	\$475,811.53

## Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$500,000.00	\$475,811.53

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$1,250,000.00	\$1,945,790.00

## Overall Progress Narrative:

Updated as of 9-30-2015

NSP3 Project Narrative

Grantee Award Amount

City of Kalispell (acquisition, rehabilitation and resale of at least 9 previously foreclosed, abandoned or vacant properties) \$ 1,500,000

Butte Silver Bow County (acquisition, rehabilitation, and resale of at least 14 previously foreclosed, abandoned or vacant properties) \$ 2,649,000

Lake County (acquisition and demolition of blighted property with new construction of a multi-family building with 4 rental units) \$ 601,000

State Administration \$ 250,000

Total \$ 5,000,000

The NSP3 Action Plan was approved by HUD in July 2011. Competitive applications were submitted by eligible areas and final project recommendations identified specific projects for the amended Action Plan. NSP3 grantees were approved through the Action Plan amendment approval provided by HUD on July 20, 2011.

NSP3 grantees will provide rental or homeownership housing opportunities for at least 27 households in NSP3 eligible census tracts in three Montana communities. 100% of the total grant award has been expended.

Grant Awards:

Lake County acquired a vacant, blighted, foreclosed property. Activities included demolition and new construction on the site which has provided 4 rental units in the eligible census tract. Construction of the residential building began in March 2013 and was completed late summer 2013. Each rental unit is currently occupied by qualified households, one being <50% of AMI.

Butte Silver Bow acquired fourteen foreclosed, vacant or tax foreclosed properties for rehabilitation and resale which will be sold to income eligible households. Certificates of Substantial Completion for all properties have been issued by the architect. Testing of major systems in historic properties will continue



until sales of homes occur.

All Butte Silver Bow properties are located in a National Historic District. This did cause some delay in subsequent construction and rehabilitation activities. Completion of rehabilitation and construction activities is complete and sales to eligible homebuyers. Eight homes have been resold to eligible homeowners. Marketing efforts to find eligible homeowners continue for the remaining properties.

Kalispell has acquired nine foreclosed or vacant properties. A general contractor pool was procured and rehabilitation has been completed. Properties are being marketed to eligible homeowners, with nine sales having been completed to qualified homebuyers. One property that was funded with a combination of NSP1 and NSP3 funds remains to be sold and continues to be marketed.

NSP staff continues to provide technical assistance to all grantees with the completion of project activities and thru the marketing period.

NSP staff is beginning to performing reconciliation in DRGR, as advised by HUD TA providers, to be prepared for closing out the program when all direct funded properties are sold. The Action plan will be modified during this reconciliation process, to ensure all reporting is accurate, due the DRGR software/programming changes that have occurred since the beginning of the program. Continued reporting per NSP regulations for program income earnings and periods of affordability will continue into the future.

Addresses for properties assisted are available in DRGR reports system. Individual addresses are not listed in the narrative for each grantee, per HUD TA guidance, for privacy and to protect those properties and individuals served.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
Admin - State of MT, State of Montana Admin	\$0.00	\$250,000.00	\$250,000.00
Admin - Sub-Grantee, Sub-Grantee Admin	\$0.00	\$225,811.53	\$225,811.53
NSP Eligible Use B - Acquisition/Rehabilitation,	\$0.00	\$6,088,872.00	\$4,524,188.47



## Activities

**Project # / Title:** Admin - State of MT / State of Montana Admin

**Grantee Activity Number:** State Administration

**Activity Title:** Program Administration

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

Admin - State of MT

**Project Title:**

State of Montana Admin

**Projected Start Date:**

07/01/2011

**Projected End Date:**

03/16/2014

**Benefit Type:**

( )

**Completed Activity Actual End Date:**

**National Objective:**

N/A

**Responsible Organization:**

State of Montana

**Overall**

**Jul 1 thru Sep 30, 2015**

**To Date**

**Total Projected Budget from All Sources**

N/A

\$250,000.00

**Total Budget**

\$0.00

\$250,000.00

**Total Obligated**

\$0.00

\$250,000.00

**Total Funds Drawdown**

\$0.00

\$250,000.00

**Program Funds Drawdown**

\$0.00

\$250,000.00

**Program Income Drawdown**

\$0.00

\$0.00

**Program Income Received**

\$0.00

\$0.00

**Total Funds Expended**

\$0.00

\$250,000.00

    State of Montana

\$0.00

\$250,000.00

**Match Contributed**

\$0.00

\$0.00

**Activity Description:**

State of Montana Program Administration for NSP3 funds

**Location Description:**

**Activity Progress Narrative:**

Administration dollars were expended by State staff to support our subgrantees and help them carry out project activities.



## Accomplishments Performance Measures

No Accomplishments Performance Measures

## Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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## Project # / Title: Admin - Sub-Grantee / Sub-Grantee Admin

**Grantee Activity Number:** Butte Silver Bow Admin

**Activity Title:** Butte Silver Bow Admin

**Activity Category:**

Administration

**Project Number:**

Admin - Sub-Grantee

**Projected Start Date:**

07/01/2011

**Benefit Type:**

( )

**National Objective:**

NSP Only - LMMI

**Program Income Account:**

Butte-Silver Bow County

**Activity Status:**

Under Way

**Project Title:**

Sub-Grantee Admin

**Projected End Date:**

03/16/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

Butte-Silver Bow County

### Overall

**Total Projected Budget from All Sources**

**Jul 1 thru Sep 30, 2015**

N/A

**To Date**

\$130,253.00

**Total Budget**

\$0.00

\$130,253.00

**Total Obligated**

\$0.00

\$130,253.00

**Total Funds Drawdown**

\$0.00

\$130,253.00

**Program Funds Drawdown**

\$0.00

\$130,253.00



<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$130,253.00
Butte-Silver Bow County	\$0.00	\$130,253.00
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Acquisition and rehabilitation of single family units.

**Location Description:**

Butte Montana

**Activity Progress Narrative:**

Administrative funds were spent by the grantee to support carrying out activities and projects.

**Accomplishments Performance Measures**

**No Accomplishments Performance Measures**

**Beneficiaries Performance Measures**

**No Beneficiaries Performance Measures found.**

**Activity Locations**

**No Activity Locations found.**

**Other Funding Sources Budgeted - Detail**

**No Other Match Funding Sources Found**

**Other Funding Sources**

**Amount**

No Other Funding Sources Found

Total Other Funding Sources



**Grantee Activity Number:** Kalispell - Admin

**Activity Title:** Kalispell - Admin

**Activity Category:**

Administration

**Project Number:**

Admin - Sub-Grantee

**Projected Start Date:**

07/01/2011

**Benefit Type:**

( )

**National Objective:**

NSP Only - LMMI

**Program Income Account:**

Kalispell, City of

**Activity Status:**

Under Way

**Project Title:**

Sub-Grantee Admin

**Projected End Date:**

03/16/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Kalispell

<b>Overall</b>	<b>Jul 1 thru Sep 30, 2015</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$71,400.00
<b>Total Budget</b>	\$0.00	\$71,400.00
<b>Total Obligated</b>	\$0.00	\$71,400.00
<b>Total Funds Drawdown</b>	\$0.00	\$71,400.00
<b>Program Funds Drawdown</b>	\$0.00	\$71,400.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$71,400.00
City of Kalispell	\$0.00	\$71,400.00
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Acquire foreclosed and/or abandoned properties, rehabilitate them and then add them the local community land trust. Will offer local households affordable homeownership opportunity in perpetuity.

**Location Description:**

North, Central & South Kalispell Montana

**Activity Progress Narrative:**

Administrative funds were spent by the grantee to support carrying out activities and projects.

**Accomplishments Performance Measures**

**No Accomplishments Performance Measures**



## Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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**Grantee Activity Number:** Lake County - Admin

**Activity Title:** Lake County - Admin

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

Admin - Sub-Grantee

**Project Title:**

Sub-Grantee Admin

**Projected Start Date:**

07/01/2011

**Projected End Date:**

03/16/2014

**Benefit Type:**

( )

**Completed Activity Actual End Date:**

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

Lake County

**Program Income Account:**

Lake County

<b>Overall</b>	<b>Jul 1 thru Sep 30, 2015</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$24,158.53
<b>Total Budget</b>	\$0.00	\$24,158.53
<b>Total Obligated</b>	\$0.00	\$24,158.53
<b>Total Funds Drawdown</b>	\$0.00	\$24,158.53
<b>Program Funds Drawdown</b>	\$0.00	\$24,158.53
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$24,158.53
Lake County	\$0.00	\$24,158.53
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Acquire a foreclosed and abandoned multi-family property and rehabilitate to assist local LMI households with affordable rental housing.

**Location Description:**

Charlo Montana

**Activity Progress Narrative:**

Administrative funds were spent by the grantee to support carrying out activities and projects.

**Accomplishments Performance Measures**

**No Accomplishments Performance Measures**



## Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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## Project # / Title: NSP Eligible Use B - Acquisition/Rehabilitation /

**Grantee Activity Number:** Butte Silver Bow NSA

**Activity Title:** Butte Silver Bow Non-Set Aside

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

NSP Eligible Use B - Acquisition/Rehabilitation

**Projected Start Date:**

07/01/2011

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LMMI

**Program Income Account:**

Butte-Silver Bow County

**Activity Status:**

Under Way

**Project Title:**

Acquisition/Rehabilitation

**Projected End Date:**

12/31/2015

**Completed Activity Actual End Date:**

**Responsible Organization:**

Butte-Silver Bow County

### Overall

**Total Projected Budget from All Sources**

### Jul 1 thru Sep 30, 2015

N/A

### To Date

\$2,171,649.00

**Total Budget**

\$0.00

\$2,171,649.00

**Total Obligated**

\$0.00

\$2,171,649.00

**Total Funds Drawdown**

\$0.00

\$2,171,649.00

**Program Funds Drawdown**

\$0.00

\$1,806,809.00

**Program Income Drawdown**

\$0.00

\$364,840.00

**Program Income Received**

\$0.00

\$364,840.00

**Total Funds Expended**

\$0.00

\$2,171,649.00

Butte-Silver Bow County

\$0.00

\$2,171,649.00



Match Contributed

\$0.00

\$0.00

### Activity Description:

Acquisition and rehabilitation of single family units.

### Location Description:

Butte Montana

### Activity Progress Narrative:

NSP3 Project  
 DRGR Narrative Butte-Silver Bow County  
 Acquisition activity progress – July 1, 2015 through September 30, 2015  
 Complete  
 Butte-Silver Bow County has acquired a total of 14 properties: seven single-family vacant, historic properties needing rehabilitation and two single family foreclosed properties; and Butte-Silver Bow County donated five tax-foreclosed properties for rehabilitation and resale to income eligible households.  
 Rehabilitation or Redevelopment activity progress – July 1, 2015 through September 30, 2015  
 Rehabilitation or infill construction work on all fourteen properties has reached substantial completion.  
 Habitat for Humanity partnered on the construction activity of two properties, and work has been completed.  
 Rehabilitation or construction activities for all properties has been completed.  
 Program income funds will be used to further program objectives. The local government is currently working with the National Park Service, and State Historic Preservation to develop a Programmatic Agreement and Memo of Agreement for continuation of activities. This will delay the reinvestment of program income funds until agreements are formed.  
 Resale activity progress – July 1, 2015 through September 30, 2015  
 Open houses continue to be held for potential buyers and interested parties with several scheduled for the upcoming period. Currently four properties have sold to households <50% AMI. Four properties have sold to other qualified households. The remaining properties are listed for sale and the grantee continues to work to locate eligible, interested buyers for the newly rehabilitated or constructed homes. Marketing efforts include outreach at weekly farmer’s markets and to realtors/lenders.  
 Program income funds will be used to further program objectives. The local government is currently working with the National Park Service, and State Historic Preservation to develop a Programmatic Agreement and Memo of Agreement for continuation of activities. This will delay the reinvestment of program income funds until agreements are formed.

### Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	3/12
# of Singlefamily Units	0	3/12

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	0/0	3/0	3/12	100.00
# Owner Households	0	0	0	0/0	3/0	3/12	100.00

### Activity Locations

Address	City	County	State	Zip	Status / Accept
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## Other Funding Sources Budgeted - Detail

### No Other Match Funding Sources Found

#### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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<b>Grantee Activity Number:</b>	<b>Butte Silver Bow SA</b>
<b>Activity Title:</b>	<b>Butte Silver Bow Set-Aside</b>

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

NSP Eligible Use B - Acquisition/Rehabilitation

**Projected Start Date:**

07/01/2011

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Program Income Account:**

Butte-Silver Bow County

**Activity Status:**

Under Way

**Project Title:**

Acquisition/Rehabilitation

**Projected End Date:**

03/16/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

Butte-Silver Bow County

Overall	Jul 1 thru Sep 30, 2015	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$929,911.00
<b>Total Budget</b>	\$0.00	\$929,911.00
<b>Total Obligated</b>	\$0.00	\$929,911.00
<b>Total Funds Drawdown</b>	\$0.00	\$929,911.00
<b>Program Funds Drawdown</b>	\$0.00	\$711,938.00
<b>Program Income Drawdown</b>	\$0.00	\$217,973.00
<b>Program Income Received</b>	\$0.00	\$217,973.00
<b>Total Funds Expended</b>	\$0.00	\$711,938.00
Butte-Silver Bow County	\$0.00	\$711,938.00
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Acquisition and rehabilitation of single family units in Butte.

**Location Description:**

Butte Montana

**Activity Progress Narrative:**

NSP3 Project  
 DRGR Narrative Butte-Silver Bow County  
 Acquisition activity progress – July 1, 2015 through September 30, 2015  
 Complete  
 Butte-Silver Bow County has acquired a total of 14 properties: seven single-family vacant, historic properties needing rehabilitation and two single family foreclosed properties; and Butte-Silver Bow County donated five tax-foreclosed properties for rehabilitation and resale to income eligible households.  
 Rehabilitation or Redevelopment activity progress – July 1, 2015 through September 30, 2015  
 Rehabilitation or infill construction work on all fourteen properties has reached substantial completion.  
 Habitat for Humanity partnered on the construction activity of two properties, and work has been completed.  
 Rehabilitation or construction activities for all properties has been completed.  
 Program income funds will be used to further program objectives. The local government is currently working with the National Park Service, and State Historic Preservation to develop a Programmatic Agreement and Memo of



Agreement for continuation of activities. This will delay the reinvestment of program income funds until agreements are formed.  
 Resale activity progress – July 1, 2015 through September 30, 2015  
 Open houses continue to be held for potential buyers and interested parties with several scheduled for the upcoming period. Currently four properties have sold to households <50% AMI. Four properties have sold to other qualified households. The remaining properties are listed for sale and the grantee continues to work to locate eligible, interested buyers for the newly rehabilitated or constructed homes. Marketing efforts include outreach at weekly farmer’s markets and to realtors/lenders. Program income funds will be used to further program objectives. The local government is currently working with the National Park Service, and State Historic Preservation to develop a Programmatic Agreement and Memo of Agreement for continuation of activities. This will delay the reinvestment of program income funds until agreements are formed.

## Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	2/5
# of Singlefamily Units	0	2/5

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	2/0	0/0	2/5	100.00
# Owner Households	0	0	0	2/0	0/0	2/5	100.00

## Activity Locations

**No Activity Locations found.**

## Other Funding Sources Budgeted - Detail

**No Other Match Funding Sources Found**

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	



<b>Grantee Activity Number:</b>	<b>Kalispell NSA</b>
<b>Activity Title:</b>	<b>Kalispell Non-Set Aside</b>

**Activity Category:**  
Rehabilitation/reconstruction of residential structures

**Activity Status:**  
Under Way

**Project Number:**  
NSP Eligible Use B - Acquisition/Rehabilitation

**Project Title:**  
Acquisition/Rehabilitation

**Projected Start Date:**  
07/01/2011

**Projected End Date:**  
03/30/2015

**Benefit Type:**  
Direct ( HouseHold )

**Completed Activity Actual End Date:**

**National Objective:**  
NSP Only - LMMI

**Responsible Organization:**  
City of Kalispell

**Program Income Account:**  
Kalispell, City of

Overall	Jul 1 thru Sep 30, 2015	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$1,695,090.00
<b>Total Budget</b>	\$0.00	\$1,695,090.00
<b>Total Obligated</b>	\$0.00	\$1,695,090.00
<b>Total Funds Drawdown</b>	\$0.00	\$1,695,090.00
<b>Program Funds Drawdown</b>	\$0.00	\$1,008,600.00
<b>Program Income Drawdown</b>	\$0.00	\$686,490.00
<b>Program Income Received</b>	\$0.00	\$686,490.00
<b>Total Funds Expended</b>	\$0.00	\$1,695,090.00
City of Kalispell	\$0.00	\$1,695,090.00
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Acquire foreclosed and/or abandoned properties, rehabilitate them and then add them the local community land trust. Will offer local households affordable homeownership opportunity in perpetuity.

**Location Description:**

North, Central and South Kalispell Montana

**Activity Progress Narrative:**

NSP3 Project  
DRGR Narrative City of Kalispell  
Acquisition activity – July 1, 2015 through September 30, 2015  
Complete  
The subrecipient has acquired a total of nine properties in the eligible census tracts - six vacant properties and three additional vacant and foreclosed properties.  
Rehabilitation activity – July 1, 2015 through September 30, 2015  
Complete  
Rehabilitation of all properties has been completed. NSP3 funds only rehabilitated one property. NSP3 direct funds were primarily focused on acquisition and will be partnered with other funding sources to complete rehabilitation.  
Resale activity – July 1, 2015 through September 30, 2015  
Three properties have sold to qualified buyers below 50%AMI. Six properties have sold to qualified homebuyers above 50% AMI. Marketing of a remaining property purchased with a blend of NSP1 and NSP3 funds to an eligible



homebuyer continues.

Program income (PI) from sales is being generated. At this time, PI has been reinvested into holding costs for unsold properties purchased and rehabbed with PI and in the future will fund additional projects.

### Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	6/6
# of Singlefamily Units	0	6/6

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	0/0	6/0	6/6	100.00
# Owner Households	0	0	0	0/0	6/0	6/6	100.00

### Activity Locations

No Activity Locations found.

### Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	



**Grantee Activity Number:** Kalispell SA  
**Activity Title:** Kalispell Set-Aside

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

NSP Eligible Use B - Acquisition/Rehabilitation

**Projected Start Date:**

07/01/2011

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Program Income Account:**

Kalispell, City of

**Activity Status:**

Under Way

**Project Title:**

Acquisition/Rehabilitation

**Projected End Date:**

03/30/2015

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Kalispell

Overall	Jul 1 thru Sep 30, 2015	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$715,379.00
<b>Total Budget</b>	\$0.00	\$715,379.00
<b>Total Obligated</b>	\$0.00	\$715,379.00
<b>Total Funds Drawdown</b>	\$0.00	\$715,379.00
<b>Program Funds Drawdown</b>	\$0.00	\$420,000.00
<b>Program Income Drawdown</b>	\$0.00	\$295,379.00
<b>Program Income Received</b>	\$0.00	\$295,379.00
<b>Total Funds Expended</b>	\$0.00	\$715,379.00
City of Kalispell	\$0.00	\$715,379.00
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Acquire foreclosed and/or abandoned properties, rehabilitate them and then add them the local community land trust. Will offer local households affordable homeownership opportunity in perpetuity.

**Location Description:**

North, Central, and South areas of Kalispell Montana.

**Activity Progress Narrative:**

NSP3 Project

DRGR Narrative City of Kalispell

Acquisition activity – July 1, 2015 through September 30, 2015

Complete

The subrecipient has acquired a total of nine properties in the eligible census tracts - six vacant properties and three additional vacant and foreclosed properties.

Rehabilitation activity – July 1, 2015 through September 30, 2015

Complete

Rehabilitation of all properties has been completed. NSP3 funds only rehabilitated one property. NSP3 direct funds were primarily focused on acquisition and will be partnered with other funding sources to complete rehabilitation.

Resale activity – July 1, 2015 through September 30, 2015

Three properties have sold to qualified buyers below 50%AMI. Six properties have sold to qualified homebuyers above 50% AMI. Marketing of a remaining property purchased with a blend of NSP1 and NSP3 funds to an eligible



homebuyer continues.

Program income (PI) from sales is being generated. At this time, PI has been reinvested into holding costs for unsold properties purchased and rehabbed with PI and in the future will fund additional projects.

### Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	4/2
# of Singlefamily Units	0	4/2

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	3/0	0/0	3/2	100.00
# Owner Households	0	0	0	3/0	0/0	3/2	100.00

### Activity Locations

No Activity Locations found.

### Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	



**Grantee Activity Number:** Lake County NSA  
**Activity Title:** Lake County Non-Set Aside

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

NSP Eligible Use B - Acquisition/Rehabilitation

**Projected Start Date:**

07/01/2011

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LMMI

**Program Income Account:**

Lake County

**Activity Status:**

Under Way

**Project Title:**

Acquisition/Rehabilitation

**Projected End Date:**

03/16/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

Lake County

Overall	Jul 1 thru Sep 30, 2015	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$276,341.47
<b>Total Budget</b>	\$0.00	\$276,341.47
<b>Total Obligated</b>	\$0.00	\$276,341.47
<b>Total Funds Drawdown</b>	\$0.00	\$276,341.47
<b>Program Funds Drawdown</b>	\$0.00	\$276,341.47
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$276,341.47
Lake County	\$0.00	\$276,341.47
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Acquire a foreclosed and abandoned multi-family property and rehabilitate to assist local LMI households with affordable rental housing.

**Location Description:**

Charlo, Montana

**Activity Progress Narrative:**

NSP3 Project  
 DRGR Narrative Lake County  
 Acquisition activity progress – July 1, 2015 through September 30, 2015  
 Complete  
 A foreclosed multi-unit property was purchased.  
 New construction activity progress – July 1, 2015 through September 30, 2015  
 Complete  
 An existing multi-family residence was blighted and foreclosed. Demolition of the blighted building is 100% complete. New construction of the four-plex was completed late summer. Several green energy efficient options were included in the design of the structure.  
 Rental activity progress – July 1, 2015 through September 30, 2015 Complete  
 One unit was rented to an LH25 household. Three units have been rented to qualified tenants.



Project is earning program revenues which is being reinvested into operation and maintenance of the rental property.

### Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	3/3
# of Multifamily Units	0	3/3

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	0/0	3/0	3/3	100.00
# Renter Households	0	0	0	0/0	3/0	3/3	100.00

### Activity Locations

No Activity Locations found.

### Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	



<b>Grantee Activity Number:</b>	<b>Lake County SA</b>
<b>Activity Title:</b>	<b>Lake County Set-Aside</b>

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

NSP Eligible Use B - Acquisition/Rehabilitation

**Project Title:**

Acquisition/Rehabilitation

**Projected Start Date:**

07/01/2011

**Projected End Date:**

03/16/2014

**Benefit Type:**

Direct ( HouseHold )

**Completed Activity Actual End Date:**

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Responsible Organization:**

Lake County

**Program Income Account:**

Lake County

<b>Overall</b>	<b>Jul 1 thru Sep 30, 2015</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$300,500.00
<b>Total Budget</b>	\$0.00	\$300,500.00
<b>Total Obligated</b>	\$0.00	\$300,500.00
<b>Total Funds Drawdown</b>	\$0.00	\$300,500.00
<b>Program Funds Drawdown</b>	\$0.00	\$300,500.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$300,500.00
Lake County	\$0.00	\$300,500.00
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Acquire a foreclosed & vacant multi-family property, then rehabilitate the property and assist LMI households with rental housing.

**Location Description:**

Charlo Montana

**Activity Progress Narrative:**

NSP3 Project  
 DRGR Narrative Lake County  
 Acquisition activity progress – July 1, 2015 through September 30, 2015  
 Complete  
 A foreclosed multi-unit property was purchased.  
 New construction activity progress – July 1, 2015 through September 30, 2015  
 Complete  
 An existing multi-family residence was blighted and foreclosed. Demolition of the blighted building is 100% complete. New construction of the four-plex was completed late summer. Several green energy efficient options were included in the design of the structure.  
 Rental activity progress – July 1, 2015 through September 30, 2015 Complete  
 One unit was rented to an LH25 household. Three units have been rented to qualified tenants.



Project is earning program revenues which is being reinvested into operation and maintenance of the rental property.

### Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	1/1
# of Multifamily Units	0	1/1

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	1/0	0/0	1/1	100.00
# Renter Households	0	0	0	1/0	0/0	1/1	100.00

### Activity Locations

No Activity Locations found.

### Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

