



City of Missoula

Community Development Funding Program 2026 Application Guidelines

Unified Application Workshop Date:
December 16th, 2025, at 1:00pm

Final Application Due Date:
January 30th, 2026

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INTRODUCTION / WHAT'S CHANGED

The City of Missoula is now accepting applications for the 2026 Community Development funding cycle. The City's Community Development funds support projects and programs that benefit low-to-moderate income people and create lasting community improvements.

The City of Missoula expects to award approximately \$550,000, in Community Development Block Grants (CDBG) and \$309,380 in Affordable Housing Trust Fund (AHTF) dollars. Our 2026 application will be abbreviated and applicants that are selected for funding will submit additional information during a pre-contracting period. By doing so, the City of Missoula hopes to reduce the burden on applicants.

The application will be used to determine eligibility for the funds available and will be scored by the Scoring Committee. Top-scoring projects that are selected for funding will be asked to provide additional information required by the funding sources prior to signing a contract.

Staff will assist in determining the best funding source based on the type of project, funds available, and alignment with program objectives.

* Due to the unique and complex nature of HOME compliance, HOME funds will not be available in this competitive application round. Projects eligible for HOME funds should reach out directly to Lisa Bower at BowerL@ci.missoula.mt.us, or 406-552-6651.

BACKGROUND INFORMATION

Community Development Block Grant (CDBG) funds are made available to the City of Missoula on an annual basis from the Federal Government through the U.S. Department of Housing and Urban Development (HUD). In 2019, the City of Missoula adopted its housing policy "A Place to Call Home," which called for the creation and funding of the **Affordable Housing Trust fund (AHTF)** to meet the urgent housing needs in the City of Missoula. The City's CDBG and AHTF Programs are administered by the Community Development division (CD) of the Community Planning, Development, and Innovation department.

Community Development Block Grant (CDBG)

Due to decreased funding as well as existing obligations, the City expects to award approximately **\$550,000¹** in CDBG funds through this application process. Available CDBG funds are for the 2026 Program Year beginning July 1, 2026.

¹ Please note CDBG programs are federally funded through the Department of Housing and Urban Development. Funding levels are determined by HUD after the Federal Budget is finalized, which often occurs after the application cycle has begun. The City of Missoula estimates funding levels in order to start the application process; therefore, funding amounts are estimates. If HUD allocates a different amount than what was estimated, actual funding awards will be increased or decreased to accommodate the discrepancy. The estimated funds below are based on previous year allocations and historic funding trends.

The purpose of the CDBG Program is to benefit low- to moderate-income people by funding projects that revitalize neighborhoods, increase affordable housing, expand economic opportunities, and/or improve community facilities and services. Most people served with CDBG funds must earn 80% of the area median income (AMI) or less. All projects funded with CDBG must meet one of the three national objectives:

- Principally benefit low and very low income households;
- Reduce or prevent slum and blight; or,
- Meet an urgent need.

Affordable Housing Trust Fund

The City will award approximately **\$309,380²** in Affordable Housing Funds through this application process for consumer housing services programs and preservation of rental and homeowner housing.

The purpose of the Affordable Housing Trust Fund is to provide a dedicated, flexible local funding source to support housing activities in Missoula and to provide the consistency and predictability that enable long-range planning, multi-year projects, and measured risk-taking to address the City's severe housing needs.

A balance of \$77,344 in Trust Fund dollars will be held in reserve to accommodate urgent and emergent projects that may arise in between funding cycles. Contact KaneC@ci.missoula.mt.us for more information.

ELIGIBLE APPLICANTS

Any eligible for-profit or non-profit organization, business, or governmental agency may apply for Community Development funds. Applicants must comply with all federal, state, and local laws and regulations.

Funds come with significant compliance and performance reporting requirements. Specific demographic data records and documentation requirements can extend for years beyond completion of a Community Development-funded activity depending upon scope and outcome of the project. Awardees will be subject to monitoring by the City as well as HUD for CDBG funding. As such, it is strongly encouraged that applicants understand the administrative commitment and subsequent requirements that funding mandates.

ELIGIBLE PROJECTS

The City of Missoula Community Development division will help applicants decide the best funding route for proposed projects. All projects awarded federal funding must serve low-to-moderate income households.

Consumer Housing & Public Services Programs

² Funding amount subject to change

The goal of Consumer Housing and Public Services Programs is to support new and existing community programs, including (but not limited to):

- Housing education and counseling
- Community land trust administrative work
- Innovative education and counseling
- Rental assistance
- Childcare
- Services for senior citizens

This includes supporting the network of programs and services in the community that prevent and end homelessness.

Eligible Households:

- Households of all income levels are eligible to enroll in Consumer Housing Service Programs through the AHTF. Public Service Programs funded with HUD funds must primarily serve low- and moderate-income households.

Please note that there are no CDBG funds available for public services for 2026.

New Construction Goals

Housing projects increase and preserve affordable housing opportunity for low-income households and people experiencing homelessness. Activities may include construction of rental or homeowner housing, public facilities, and homebuyer assistance programs.

Housing assisted with City of Missoula funds must include units meeting the following affordability requirements:

- Rental housing: eligible households must be at or below 80% AMI for AHTF; not eligible for CDBG except in certain circumstances.
- Homeownership development: eligible households must be at or below 120% AMI for AHTF; not eligible for CDBG except in certain circumstances.
- Public facilities: eligible households must be at or below 80% AMI for CDBG programs.
- Infrastructure or site improvements (sewer, water, sidewalks, etc.): eligible households must be at or below 80% AMI for CDBG programs.

Acquisition/Preservation Goals

Acquisition/Preservation goals support the preservation of affordable housing, including activities such as:

- multi-family affordable housing acquisition
- single family affordable housing acquisition
- land acquisition
- mobile manufactured home acquisition
- public facility acquisition
- homeowner down-payment assistance

Preservation and Rehabilitation Programs can support homeowners and renters.

Eligible households:

- Small Repair Loans: at or below 80% AMI for Affordable Housing Fund
- Multifamily Acquisition: at or below 80% AMI for Affordable Housing Fund and CDBG programs
- Mobile/Manufactured Home Preservation & Infrastructure Assistance: at or below 120% AMI for Affordable Housing Fund, 80% AMI for CDBG program
- Community Land Trusts: at or below 120% AMI for Affordable Housing Fund, 80% AMI for CDBG programs
- Rehabilitation: at or below 120% AMI for Affordable Housing Fund, 80% AMI for CDBG programs

APPLICATION TIMELINE



| | |
|-------------------------|--|
| Nov. 25, 2025 | NOFA and Application Guidelines posted. Application opens. |
| Dec. 16, 2025 | Application Workshop to review the 2026 changes. TA for applications opens. |
| Jan. 27, 2026 | TA for applications closes. |
| Jan. 30, 2026 | Applications due. |
| Feb 1-28, 2026 | Applications reviewed and scored. |
| March 2026 | Applicants recommended for funding will be notified. |
| March/April 2026 | Post-award meeting to review the project, potential regulation triggers, and additional information required to receive funding. |
| May 2026 | 2026 projects will be presented before Council. CDBG projects will be submitted to HUD for review. |
| May 4, 2026 | Deadline to submit required pre-contracting documents. |
| July-Sept 2026 | Contracts are reviewed and routed for signature. |

SUBMISSION OVERVIEW

The completed application must be submitted electronically through [Submittable.com](https://www.submittable.com) no later than 5:00 pm on Friday, January 30, 2026.

This year's application will be a short, competitive application that will talk about various aspects of your project.

Applicants who receive a notice of award will move onto a pre-contracting phase to provide follow-up documentation further detailing their project.

- **Electronic application, budget, and required attachments** will be submitted to the City of Missoula via your Submittable account. Click [here](#) for a resource on accessing Submittable.
 - You can find the City of Missoula's Application here: <https://missoulacommunitydevelopment.submittable.com/submit>
 - Additional application documents are linked within Submittable and can also be found here: <https://www.ci.missoula.mt.us/3239/Application-Documents>
- **Complete Applications:** The applications and attachments must be complete and all requested information submitted. Incomplete applications will NOT be considered.
- **Pre-contracting requirements:** all pre-contracting requirements must be met before funds will be awarded.

PROCESS DETAILS

The application will be open for review on **November 25, 2025**. Potential applicants are encouraged to review the application and the guidelines prior to the Application Workshop on **Dec. 16th**.

During the Application Workshop, staff will review the 2026 changes, the Submittable process, and new and existing regulations. Staff will also be available for questions.

Staff will be available from Dec 16th until 2 days before application closes for additional questions and technical assistance. Questions received after January 27, 2026, may not be answered, depending on staff availability.

Applications are due January 30, 2026.

Upon submission, staff will review the applications to ensure project eligibility, potential funding sources, and correlation to City goals and priorities. A Scoring Committee will review the applications using the scoring rubric (see Scoring Details, below).

Scores will be averaged, and the highest scoring projects will be notified. Upon notification, projects will have until **May 4, 2026**, to provide all additional application documents required for a signed contract.

A post-award meeting to review the project, potential regulation triggers, and the additional information required to receive the award will be scheduled shortly thereafter.

Staff will present the projects before City Council in May 2026. CDBG projects will be submitted to HUD in the annual Action Plan (contracting must wait until HUD approves the Action Plan).

If all pre-contracting requirements are met, contracting may begin in July/August 2026. Please note that contracting is conditioned upon several factors and could potentially be delayed.

CITY GOALS AND PRIORITIES

The primary objective of Community Development funding is the development of viable communities by the provision of decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low- and moderate-income (LMI). This is achieved by ensuring that each funded activity meets at least one of the goals and priorities identified in the reports outlined below.

If an applicant cannot demonstrate how the proposed project meets one of the City's goals and priorities, the application will not be considered for funding and the applicant will be notified.

Housing Landscape Assessment Report

Each year, Community Planning, Development & Innovation (CPDI) will produce a [Housing Landscape Assessment Report](#) tracking housing indicators, population statistics, and market information to guide annual priorities for the Trust Fund. This report will also include information about outcomes achieved in the prior year through Trust Fund investments.

Affordable Housing Trust Fund Allocation Plan

Based on the information, feedback, and data collected through the housing landscape assessment and community needs assessment, the Affordable Housing Resident Oversight Committee and staff produce an [Annual Allocation Plan](#) setting goals for the upcoming fiscal year for trust fund investments. The allocation plan clearly outlines the revenue sources, funding priorities and restrictions for the upcoming grantmaking cycle.

Community Needs Assessment

Prior to each year's funding, CPDI gathers community feedback on housing goals and priorities through a [Community Needs Assessment](#). This process typically involves community meetings and an online survey. The needs identified in these reports will inform both the Trust Fund Annual Allocation Plan as well as the Annual Action Plan for HUD-Funded Programs.

Consolidated Plan

The City of Missoula released its updated [Consolidated Plan for HUD-Funded Programs 2024-2028](#) in June 2024. This plan includes data about community needs, the housing market, and quantitative and qualitative data from the City's Community Needs Assessment.

The above reports bring together the planning, application, reporting and citizen participation components of each of the grant programs. Participation from the community, customers, and partners ensures that there will be broad support and commitment to the success of the identified project. It is important to focus project goals on the City's priorities outlined in these reports.

A Place to Call Home-Meeting Missoula's Housing Needs

The adopted city-wide housing strategy, [A Place to Call Home: Meeting Missoula's Housing Needs](#) informs strategies and implementation approaches to support housing needs for all Missoulians. Over two dozen proposed strategies are organized into four focused strategies:

- Track and Analyze Progress for Continuum Improvement
- Align & Leverage Existing Funding Resources to Support Housing
- Reduce Barriers to New Supply and Promote Access to Affordable Homes
- Partner to Create and Preserve Affordable Homes

APPLICANT REQUIREMENTS

Applicants must comply with the regulations of the funding source(s) of which they are applying. HUD regulations are found at [24 CFR Part 570](#) and [24 CFR Part 92](#), and Policies and Procedures for the AHTF are found [here](#).

PERFORMANCE MEASUREMENT AND REPORTS

HUD and the City of Missoula require performance measurements for all Community Development awardees that include the identification of objectives and expected outcomes of the project or activity. Quarterly performance reports are required until the project is completed and can be submitted in Submittable.

REIMBURSEMENT

All subrecipient drawdown requests for funding will be on a reimbursement basis. A Request Form must be signed by two authorized representatives of the funding Recipient and submitted to the City. Proper documentation – including proof of payment, time allocations, payroll records, or other required materials – must be submitted with all requests for reimbursement.

INCOME GUIDELINES

Recipients are required to income qualify every household they serve with Community Development funding. The specific process for income qualification will vary by project type and will be outlined in the contract documentation and Scope of Work. At a minimum, recipients are required to collect and document receipt of income verification at time of enrollment. CDBG income requirements may vary from AHTF requirements. See below for more information.

MONITORING

The City of Missoula is required by HUD and AHTF Policy to conduct on-site monitoring of subrecipient organizations receiving Community Development funds to assure compliance with regulations. All organizations will receive advance notice of the scope and timing of the monitoring visit.

TIMELINE

All applications must demonstrate that the activity is sufficiently feasible such that it will commence during the 12-month program year – July 1, 2026 – June 30, 2027. Project start date may be no earlier than 7/1/2026. In most cases, project completion date should be no later than 12 months after the project start date.

PERIOD OF AFFORDABILITY

When Community Development funds are used for the acquisition, construction, or substantial rehabilitation of an affordable rental or cooperative unit, HUD and the City of Missoula will impose enforceable requirements on the owner of the housing unit that the unit remain affordable for the remaining life of the housing unit, assuming good faith efforts by the owner to maintain the housing unit and rehabilitate it as necessary. Periods of affordability will vary based on type and amount of funding.

WRITTEN AGREEMENT

Prior to the release of Community Development dollars, a written agreement must be executed with the award recipient. For CDBG funding, the written agreement will contain, at a minimum, required provisions at [2 CFR §200.331](#) and [24 CFR §570.503](#) (CDBG).

In addition to the above, the City and its subrecipients will be required to conform – at a minimum – to the following Federal Laws as applicable:

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

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

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

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

CDBG Project Requirements

Projects applying for CDBG funds must be able to show compliance with [National Objectives](#). National Objectives include:

- **Low/Moderate Area Benefit:** The project serves only a limited area which is proven by census data or survey to be a low-income area. Applicants choosing this category must be able to prove their project / activity primarily benefits low/moderate income households.
- **Low/Moderate Limited Clientele:** The project benefits a specific group of people (rather than all people in a particular area), at least 51% of whom are low/moderate income persons. Note: Income verification for clients must be provided for this category.
- **Low/Moderate Housing:** The project adds or improves permanent residential structures that will be occupied by low/moderate income households upon completion.
- **Slum/Blight:** This project will prevent or eliminate specific conditions of blight or physical decay. Activities are limited to clearance, historic preservation, rehabilitation of buildings, and only to the extent necessary to eliminate conditions detrimental to public health and safety.

In addition, each CDBG project must:

- Be located within the Missoula City limits or demonstrate that reasonable benefits from the activity will accrue to City of Missoula residents.
- Address one of the goals stated in the [Five-Year Consolidated Plan](#) provided that there is a direct connection to the City of Missoula's Priorities.
- Be identified as an eligible CDBG activity in one of the following categories:
 1. Housing Activities
 2. Public Improvements
 3. Preservation/Rehabilitation
 4. Public Services
 5. Public Facilities/Infrastructure

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

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

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

ENVIRONMENTAL REVIEW

Federal Funds cannot be obligated or expended until an Environmental Record Review (ERR) is submitted and the contract is executed. In addition, no [choice-limiting actions](#) may be taken prior to completion of the ERR. Any expenditures for a program that take place before the execution of a contract are done so at the risk of the recipient as any reimbursement for eligible expenditures are contingent upon the City and the recipient entering into a written agreement. The subrecipient may be

required to furnish data, information, and assistance as part of the environmental review. (Recipients exclusively seeking AHTF funds may be exempt from ERR requirements).

ADDITIONAL CDBG REQUIREMENTS

- In recognition of the fact that CDBG funds are intended to be “gap financing,” all applications must demonstrate that the proposed activity would not be feasible but for the CDBG investment. CD staff may deny requests for funding if it determines that the CDBG investment is not required for project feasibility.
- Provide proof of corporate authorization, such as a board resolution, to request these funds. A sample resolution can be found on our website: [Application Documents](#).
- A percentage of prior year funds must be drawn down and expended.
 - 2025 CDBG funds must be 50% drawn down and expended,
 - 2024 or prior year CDBG funds must be 100% expended by the date of 2026 application submission, unless a reasonable explanation is provided to HCD.

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| CDBG PROJECTS ARE FURTHER REQUIRED TO COMPLY WITH THE FOLLOWING FEDERAL REQUIREMENTS: |
|--|

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

Women-Owned and Minority Business Enterprise Report (MBE/WBE): Information on contracts and subcontracts held by contractors or subcontractors that are majority owned by minorities or women and funded in whole or in part with CDBG funds (as applicable).

Employment and Contracting Opportunities: Contractors, subcontractors, sub-grantees, and other firms doing business with the City of Missoula must be in compliance with the City of Missoula’s Equal Opportunity Policy and Title 49 Montana Code Annotated, entitled “Human Rights,” or forfeit the right to continue such business dealings.

The City’s Equal Opportunity Policy Statement is:

The Mayor of the City of Missoula or the Mayor’s designee may adopt an action plan to provide all persons equal opportunity for employment without regard to race, ancestry, color, handicap, religion, creed, national origin, sex, age, sexual orientation, gender identity or expression, or marital status. In keeping with this commitment, we are assigning to all department heads and their staff the responsibility to actively facilitate equal employment opportunity for all present employees, applicants, and trainees. This responsibility shall include assurance that employment decisions are based on furthering the principle of equal employment opportunity by imposing only valid requirements for employment and assuring that all human resource actions are administered on the basis of job necessity.

Specific responsibility for developing, implementing, monitoring and reporting are assigned to the City Personnel staff under the supervision and direction of the Chief Administrative Officer and the Mayor.

It is the policy of the City of Missoula to eliminate any practice or procedure that discriminates illegally or has an adverse impact on an “affected” class. Equal opportunity shall be provided for all City employees during their terms of employment. All applicants for City employment shall be employed on the basis of their qualifications and abilities.

The City of Missoula, to the extent practical, shall ensure that subcontractors and vendors comply with this policy and the City’s non-discrimination and equal opportunity requirements found at Chapter 9.64 of the Missoula Municipal Code. Failure of subcontractors and vendors to comply with this policy statement shall jeopardize initial, continued, or renewed funds or future contracting opportunities.

Our commitment is intended to promote equal opportunity in all employment practices and provide a positive program of equal employment for the City of Missoula, its employees, program participants, trainees and applicants.8.4 Indemnification: Contractor shall indemnify and hold the City of Missoula, the City of Missoula Police Department and its officers and employees harmless from and shall process and defend at its own expense all claims, demands, or suits at law or equity arising in whole or in part from the Contractor’s negligence or breach of any of its obligations while performing these services.

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

Radon: Projects subject to an EA or CEST level review, may be subject to new radon requirements, including testing and possible mitigation.

Build America, Buy America (BABA): If your project involves construction or rehab, and the total project cost is \$250,000 or more, the BABA may apply. This requires written certification that BABA-subject items are produced in the United States, and that BABA language is included in the terms and conditions for all contracts, subawards, and purchase orders.

BABA Language:

Pursuant to the Build America, Buy America Act (BABA), enacted as part of the Infrastructure Investment and Jobs Act (IIJA). Pub. L. 117-58, 41 U.S.C. § 8301 note, the Federal Financial Assistance used to fund this infrastructure project is required to apply a domestic content procurement preference (the “Buy America Preference” or “BAP”) for all construction, alteration, maintenance, or repair of infrastructure, including buildings and real property, unless application of the BAP has been waived by HUD.

BABA requires that all iron, steel, manufactured products, and construction materials used for federally funded infrastructure projects are produced in the United States, unless otherwise exempt or subject to an approved waiver. Developer is responsible for

documenting compliance and ensuring that all contractors and subcontractors provide the required information to document compliance. Additional details on fulfilling the BABA requirements can be found at <https://www.hud.gov/baba>.

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

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

Displacement and Relocation: The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act or URA) is a Federal law that establishes minimum standards for Federally funded programs and projects that require the acquisition of real property (real estate) or that displace persons from their homes, businesses, or farms. The Uniform Act's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for Federal or Federally-funded projects. Section 104(d) of the Housing and Community Development (HCD) Act provides minimum requirements for CDBG funded programs or projects when units that are part of a community's low-income housing supply are demolished or converted to a use other than low- or moderate-income dwellings. *Applicants must begin documenting compliance with these laws beginning with the date of its CDBG application or the date of the initiation of negotiations, whichever is earlier.* Consult HUD Handbook 1378 for more information: https://www.hud.gov/program_offices/administration/hudclips/handbooks/cpd/13780

Religious Organizations (Special Conditions): Applicants affiliated with religious organizations that are performing activities determined by HUD to be free from sectarian influences will be required to agree to HUD's "Special Conditions for Religious Organizations."

AHTF Project Requirements

Each AHTF project:

- Must address one or more of the goals and priorities outlined in the Annual Trust Fund [Allocation Plan](#)
- Be identified as an eligible AHTF activity as referenced in the [Policies and Procedures Manual](#).
- In addition to keeping with income guidelines, housing projects developed through the AHTF are required to create a tenant selection plan, outlining how eligible tenants will be selected.

Other requirements are as follows:

PERIODS OF AFFORDABILITY:

AHTF activities involving homeowner rehabilitation, homebuyer and/or rental housing activities must adhere to affordability requirements:

| AHTF Activity | AHTF Investment | Affordability Period |
|---|-----------------------|----------------------|
| Small repair loans, Acquisition, Rehabilitation, Mobile/manufactured home preservation | Less than \$30,000 | 20 years |
| | \$30,000-\$100,000 | 25 years |
| | \$100,001-\$400,000 | 30 years |
| Small repair loans, Acquisition, Rehabilitation, Mobile/manufactured home preservation, All new construction projects | \$400,001-\$1,000,000 | 35 years |
| Community Land Trusts | Any investment | 75 years |

ENVIRONMENTAL REVIEW: Environmental Record Review (ERR) needs will be addressed on a case by case basis. Recipients that have already completed an ERR for another agency or in another format may submit such documentation. The Trust Fund Administrator may recommend or require certain mitigation measures as a condition of funding.

AHTF DISPLACEMENT AND RELOCATION: The City of Missoula will take all reasonable steps to minimize displacement of tenants as a result of projects funded with investments from the trust fund. To this end, when displacement or relocation is an unavoidable component of a proposed project, the developer/organization must submit a relocation plan with their initial funding application. The relocation plan must address the following areas of how it will support existing tenants:

- **Identification of Community Liaison;** a central point of contact for tenants to speak with to answer questions and provide information about plans and opportunities to relocate and to communicate with the City and non-governmental organizations to coordinate provision of service or assistance
- **Notification of tenants;** written plan to give timely, sufficient, and clear written notice of intent to change use of property
- **Compensation and reduction of financial hardships caused by the displacement or relocation;** plan to offer to support tenants financially, including but not limited to-financial compensation to support relocation, foregoing rent for last months of a lease to allow tenants to accumulate funds to relocate, providing a stipend to defray costs, etc.
- **Potential priority placement in new units created;** identified or potential plans to offer newly constructed units to tenants that were displaced from original units.

Income Guidelines

To ensure Community Development dollars are serving low-to-moderate income households, recipients are required to income qualify every household they serve.

AHTF:

The specific process for income qualification will vary by project type and will be outlined in the contract documentation and Scope of Work. At a minimum, recipients are required to collect and document receipt of income verification at time of enrollment.

CDBG: Each activity carried out by the City under this program must either be documented to benefit a majority of low- and moderate-income individuals or neighborhoods or result in the elimination and / or prevention of slums and blighted conditions. This usually means verifying income for individuals or

households benefiting from the funds. If income verification is not performed or self-certification is collected, subrecipient risks repayment of awarded funds.

HUD/AHTF INCOME GUIDELINES FOR MISSOULA

(please note that new income limits may be in effect by the time the application is due; staff will provide updated income limits at the time of award)

| Incomes by HUD AMI Levels for Missoula, by Household Size (2025) | | | | | | | | |
|--|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| % Area Median Income | Number of Persons in Household: | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 30% | \$20,700 | \$23,650 | \$26,650 | \$32,150 | \$37,650 | \$43,150 | \$48,650 | \$54,150 |
| 50% | \$34,500 | \$39,400 | \$44,300 | \$49,250 | \$53,200 | \$57,150 | \$61,100 | \$65,000 |
| 60% | \$44,580 | \$50,928 | \$57,300 | \$63,660 | \$68,760 | \$73,860 | \$78,960 | \$84,060 |
| 80% | \$55,200 | \$63,050 | \$70,950 | \$78,800 | \$85,150 | \$91,450 | \$97,750 | \$104,050 |
| 100% | \$74,300 | \$84,880 | \$95,500 | \$106,100 | \$114,600 | \$123,100 | \$131,600 | \$140,100 |
| 120% | \$89,160 | \$101,856 | \$114,600 | \$127,320 | \$137,520 | \$147,720 | \$157,920 | \$168,120 |
| 140% | \$104,020 | \$118,832 | \$133,700 | \$148,540 | \$160,440 | \$172,340 | \$184,240 | \$196,140 |

APPLICATION DETAILS

Please note, the questions listed below do not represent the entirety of the application. A full outline can be found on our website under [Application Documents](#).

Please describe the issue, need, or problem that is motivating your request.

Please demonstrate through data a thorough understanding of the problem at the local and/or regional level, why needed changes justify the grant award, and who will benefit (the target population). Describe how this project will address or mitigate the need. This question relates to the Demonstrated Knowledge of Community Need category in the scoring criteria (25 pts).

Provide a clear overview of the proposed solution/project design.

Please describe your project and its design in detail. What is your vision for this project? Describe how this project will address or mitigate the need described above. This question relates to the Project Design category of the scoring criteria (15 pts).

What are the specific outcomes that you will achieve through this project? How will you measure and report these outcomes?

From the time your organization receives a grant award until the end of the grant funding cycle, how will the money have made a difference for the target population? How will you measure and report these outcomes? Identified outcomes will move to post-award reporting. This question relates to the Outcomes category of the scoring criteria (10 pts).

Please describe why your organization is best able to meet this need.

Please include success and experience related to meeting the described need, unique qualifications, collaborations with any major partners, etc. This question relates to the Capacity category in the scoring criteria (5 pts).

Please provide a timeline for your proposed project.

Include milestones, relevant permitting processes/environmental review, etc. This question relates to the readiness/timeline category of the scoring criteria (5 pts).

Please describe how the project will align with the [City of Missoula Goals](#).

Describe how the project will align with the City of Missoula Consolidated Plan Objectives and/or Housing Policy Goals. If applying for CDBG funds, please also describe how the National Objective will be met. This question relates to the Demonstrated Knowledge of Community Need (25 pts) and Project Design (15 pts) categories of the scoring criteria.

Budget: You will be asked to upload your project budget using the template provided.

A full application outline can be found on the [Application Documents](#) website.

Pre-Contracting: Required Information and Materials

Projects selected for funding will be asked to provide additional information before contracting can proceed. This includes:

- An updated budget, scope, and timeline as applicable
- Additional information on your organization's background and experience
- Information on any partnering organizations
- Fund development practices
- Community engagement practices
- Information regarding any relocation activity
- Potential environmental impacts

A full list of additional required documents can be found on our website under [Application Documents](#).

Applicants will be expected to comply with all funding conditions and requirements.

SCORING CRITERIA

Each application will be scored by the Scoring Committee using the Scoring Criteria below. Once all projects have been scored, the projects selected for funding will be notified and will be asked to submit additional information. Those not selected for funding will be notified as well.

Applications will be awarded a total of 100 points (with 5 potential bonus points) based on the criteria below. When applications have been scored and ranked, the Scoring Committee will forward a preliminary list of recommended awards to the Mayor and City Council. Applicants will receive notification of the recommendations when this process is completed.

INITIAL SCREENING

Staff managing Federal Grant programs and the Affordable Housing Trust Fund will conduct an initial screening of applications to check for completeness.

SCORING

Match (5 points)

There is a required minimum of 25 percent committed match as a share of total funding request.

Demonstrated Knowledge of Community Need (25 points)

Project has demonstrated a knowledge of community need and shown a clear relationship to the goals stated in Missoula's Housing Policy. The project aligns with the overall goals of the City, including but not limited to the Consolidated Plan, the Community Needs Assessment, the Growth Policy, AHTF Allocation Plan, etc.

The project demonstrates community need through quantitative and qualitative data, including but not limited to community, outreach, population level, organization, and/or program specific sources. The project links the data need to city-wide plans and priorities and the project/program design. If CDBG funding is requested, the project must demonstrate that it aligns with a National Objective.

Project Design (15 points)

A high-scoring project is well-planned and a detailed description is provided. The agency has demonstrated experience on projects of similar size and scope. Applicant's tenure and quality of past program delivery experience demonstrates sufficient capacity to carry out the proposed activity. (CDBG activities previously funded by City of Missoula will use past report data to confirm. If applicant is a new grantee or an existing grantee applying for a new area, third party verification of program accomplishments must be submitted).

Outcomes (10 points)

Applicants will provide clear and measurable outcomes that will result from this project. The outcomes must move the needle on one or more City housing goals. The process for measuring these outcomes and assessing the success of the project must be clearly described.

Impact (10 points)

A high-scoring project will have a direct and compelling impact on low or moderate-income households and will move one or more of the City's housing goals forward.

Capacity (5 points)

The organization has the technical and financial capacity to successfully carry out the project proposal in a timely manner while responsibly expending funds.

Financial Feasibility (25 points)

The need for funds has been adequately demonstrated. The applicant has or will secure other financing needed to carry out project and, if applicable, ensure its long-term viability. Plans are provided to demonstrate how applicant will obtain uncommitted funds and contingencies are outlined.

Readiness/Timeliness (5 points)

The project can begin within one year (for programs/services) or two years (for acquisition, construction, or rehabilitation) of funding award. A timeline with clear milestones has been provided.

BONUS POINTS (5 points)

The Scoring Committee will award five bonus points for projects requesting a loan vs. grant funding.

Please contact Kendra Lisum lisumk@ci.missoula.mt.us, or 406-552-6642, and/or Colleen Kane kanec@ci.missoula.mt.us or 406-552-6219 with questions.

For HOME funding, please contact Lisa Bower bowerl@ci.missoula.mt.us or 406-552-6651.

CDBG REFERENCE MATERIALS

Community Development Block Grant | 24 CFR 570

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

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

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

Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems

<https://www.hudexchange.info/resource/687/playing-by-the-rules-a-handbook-for-cdbg-subrecipients-on-administrative-systems/>

This handbook is intended for Community Development Block Grant (CDBG) subrecipients. The handbook is designed to help subrecipients understand the administrative requirements that apply to the use of federal funds for the delivery of CDBG programs and activities.

Basically CDBG for Entitlements

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

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

Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities

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

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

CDBG Guidebook

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

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

HUD Exchange

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