

Exhibit 2

, a previous recipient of a CDBG award must:

- a. Be in compliance with the project implementation schedule contained in its CDBG contract with MDOC for any current grant awarded under either the Public Facilities or Housing category, and
- b. Not have any unresolved audit or monitoring findings directly related to any previous CDBG grant award.

## E. COMMUNITY PLANNING AND NEEDS ASSESSMENT PROCESS

The Federal Housing and Community Development Act requires that each CDBG recipient "identify its community development and housing needs, including the needs of low and moderate-income persons, and the activities to be undertaken to meet such needs." To meet this requirement, the Montana CDBG Program requires that local government applicants assess their overall community development needs and involve the general public in identifying those needs. Congress established this requirement to promote better-coordinated strategies for addressing local needs, particularly as they affect low and moderate-income persons.

**The community planning and needs assessment requirement is not intended to duplicate the ongoing comprehensive planning programs already established by many Montana communities.** To the contrary, as an initial step in the needs assessment process, MDOC encourages applicants to review their existing comprehensive plan and community development objectives and priorities. Further, the Federal Housing and Community Development Act specifically, "... encourages community development activities which are consistent with comprehensive local and area wide development planning."

**During 1997 and 1998 the Montana Environmental Quality Council (EQC) reviewed Montana's local government planning laws and planning practices. In its 1999 report to the Legislature, the EQC stressed the need "... to provide incentives for the adoption and implementation of comprehensive planning.<sup>1</sup> MDOC discourages stand-alone, CDBG-specific needs assessment processes or community surveys which are not coordinated with a community's existing comprehensive planning program.**

It is the intent of Montana's CDBG Program that governments take full advantage of their local planning programs and not unnecessarily duplicate their local planning efforts solely for the purposes of submitting a CDBG application. In many cases local governments may have already thoroughly reviewed community needs through preparation of a community comprehensive plan, master plan, or similar growth policy statement, or as part of an Overall Economic Development Plan required by the U.S. Economic Development Administration. The CDBG planning and needs assessment requirement can provide an opportunity to review existing capital improvements plans, economic development goals, or housing plans to determine if they are still relevant and adequately reflect current conditions, needs, and community priorities.

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<sup>1</sup> *Planning for Growth in Montana, Final Report to the 56th Legislature of the State of Montana, Legislative Environmental Policy Office, Environmental Quality Council Growth Study Subcommittee, January, 1999.*