

KEVIN HAGER, Housing Supervisor, Community Development Department, Civic Center, Great Falls, Montana, was interviewed at his place of employment on October 31, 1988 by Special Agent JOHN R. BALAUN.

HAGER advised as follows:

HAGER has served as Housing Supervisor since 1980. HAGER has been responsible for working in the development of Section 8 Moderate Rehab units.

The last two Moderate Rehab projects have been awarded to PINGREE AND DAHLE. The first of these two was the ELMORE HOTEL, a one and two bedroom project, awarded about 1984 and completed in 1987. The second was FRANKLIN SCHOOL, a three bedroom project which was only recently awarded.

HAGER's recollection is that on June 3, 1984 the city advertised a Conditional NOFA for 70 one and two bedroom units. PINGREE and DAHLE submitted one of six to eight proposals received. The selection committee for the city, consisting of CHERYL BRUSKOTTER, NANCY STEPHENSON, DAVE STEEN, JOY HAMLET, and HAGEN, selected the PINGREE AND DAHLE proposal to rehabilitate the ELMORE HOTEL because "dollar wise it was the highest."

The FRANKLIN SCHOOL project was awarded after a Conditional NOFA advertisement ran in the local newspaper. The proposal of PINGREE AND DAHLE was the only proposal received. It is HAGER's belief that many landlords and developers will not bother to submit a proposal if the advertisement states it is a Conditional NOFA.

The advertisement which resulted in the FRANKLIN SCHOOL project being selected, was not written by the Community Development Department to coincide with the PINGREE AND DAHLE proposal. The city of Great Falls is in need of family units and that was the determining factor.

HAGER has no recollection of PINGREE AND DAHLE being involved with the city in the two developments until the written proposals were received following the Conditional NOFA advertisements.

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