

Section VI: Annual Action Plan

AP-15 Expected Resources

91.220(c)(1,2)

Introduction

Table 52 (below) illustrates the CDBG and HOME resources expected for the first year of this Consolidated Plan. The total amount expected for the remaining four years of the Consolidated Plan take into account a five percent decrease in funding resources per year. Other types of funding, including Emergency Shelter Grants, HOPWA funds, Section 8 funds, etc. are not included in the following table as the City of Billings is not a direct recipient.

CDBG administration allocations are capped at 20% of the new CDBG allocation in addition to eligible program income received during the project year. Maximum amounts for public service activities are capped at 15% of the new CDBG allocation and 15% of the previous year's program income. HOME administration activities are capped at ten percent of the new HOME allocation and eligible program income received following the required affordability period. Revenue received during a project's affordability period is considered recaptured and may not be used for administration.

Expected revenues from the CDBG program include repayments for funding loaned through the Housing Rehabilitation Loan program and other revitalization efforts. The City expects to receive approximately \$75,000 in repayments for the upcoming fiscal year which will be reprogrammed for programs identified herein. The City will not receive proceeds for Section 108 loan guarantees, surplus funds from urban renewal settlements, or float-funded activities.

Revenue expected for the HOME program includes recaptured and program income funding generated by the First Time Homebuyer Loan program. The City expects to receive approximately \$150,000 in HOME funding through these venues, and the funding will be utilized to further programs identified in this Consolidated Plan. The City of Billings programs 100% of CDBG and HOME funding to benefit low to moderate income households and / or areas.

The City may also receive program income attributable to the Neighborhood Stabilization Program.

Anticipated Resources

Program	Source of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan	Narrative Description
		Annual Allocation	Program Income	Prior Year Resources	Total		
CDBG	Public / Federal	\$562,741	\$75,000	\$25,000	\$662,741	\$1,983,314	Entitlement Allocation
	Uses of Funds: Administration, Homeowner Rehabilitation, Homebuyer Acquisition, New Housing Development, Public Services						
HOME	Public / Federal	\$263,688	\$150,000	\$75,000	\$488,688	\$929,337	Entitlement Allocation
	Uses of Funds: Administration, Homebuyer Acquisition, New Housing Development						

Table 52 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The HOME program requires 25% match funding for projects be dedicated from non-federal sources. The City of Billings meets HOME matching requirements through low-interest financing available for First Time Homebuyer Loans issued through the Montana Board of Housing (MBOH) and matching funds provided for other affordable housing projects undertaken with HOME funds, such as private contributions and other local bank financing.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

City staff does not anticipate publically owned land will be utilized to address needs identified in the Consolidated Plan.

AP-20 Annual Goals and Objectives

Goals Summary Information

#	Goal Name	Start / End Years	Category	Outcome & Objective	Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Affordable Housing Preservation	2015 to 2016	Affordable Housing	Affordability & Suitable Living Environment	Citywide	Affordable Housing Preservation	CDBG, NSP	6 Household Housing Units <i>Homeowner housing rehabilitated</i> <i>One foreclosed unit, 5 homeowner occupied units</i>
		Preserve existing affordable housing supply, particularly in older neighborhoods, to support the stability of the current affordable housing stock: <ul style="list-style-type: none"> • Provide direct, affordable financing and assistance to low income homeowners for the completion of needed repairs citywide. • Revitalize low income neighborhoods through foreclosure remediation, redevelopment and infill development. 						
2	New Affordable Housing Opportunities	2015 to 2016	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	Availability / Accessibility & Decent Housing	Citywide	New Affordable Housing Opportunity	CDBG, HOME	0 Rental Units Constructed <i>The Affordable Housing Development Program is expected to create 2 new affordable housing units, which could be rental / owner, new construction / rehabilitation</i> 35 Households Assisted <i>Direct Financial Assistance to Homebuyers</i>
		Create affordable housing opportunities to further improve access to and the quality of affordable housing stock: <ul style="list-style-type: none"> • Provide affordable financing and support to promote homeownership opportunities citywide. • Provide homebuyer education to all households utilizing acquisition programs. • Encourage the citywide development of new affordable single-family, multi-family and special needs housing in the community through private developers and nonprofit organizations. 						
3	Housing Choice*	2015 to 2016	Other: Equal Opportunity	Availability / Accessibility & Suitable Living Environment	Citywide	Housing Choice	Admin	50 Households <i>Home Center and City Programs</i>
		Expand housing choice options for existing and potential new residents to foster stable, socio-economically diverse neighborhoods citywide. <ul style="list-style-type: none"> • Ensure equal opportunity and housing choice with all programs and activities citywide. 						
4	Poverty Impact	2015 to 2016	Other	Affordability & Suitable Living Environment	Citywide	Poverty Impact	CNCS	200 Individuals <i>Public service activity for low income benefit, VISTA</i>
		Support housing and community development specific to lower income and special needs households through poverty-impact initiatives. <ul style="list-style-type: none"> • Encourage collaboration to better address needs and to respond to opportunities for special needs populations. 						
*Community Development Block Grant (CDBG) Neighborhood Stabilization Program (NSP) HOME Investment Partnerships Program (HOME) CDBG or HOME Administration (Admin) Corporation for National and Community Service (CNCS)								

Table 53 – Goals Summary

*Goal not included in IDIS version as no allocation was made.

Introduction

The City of Billings is recommending a total of six projects for CDBG and HOME funding for FY2015-2016. The Manufactured Home Repair program is currently funded through CDBG. Therefore, no new allocations are being made from the new CDBG / HOME funding allocations from HUD for this fiscal year. Revenues received from CDBG, HOME, and other sources will be allocated to current programs (including the Manufactured Home Repair Program) under a close- / shovel-ready basis to ensure commitment and expenditure timeliness.

#	Project Name	FY2015-2016 Allocations	
		CDBG	HOME
1 & 2	Administration	\$112,548	\$26,369
3	Housing Rehabilitation	\$310,193	-
4	Foreclosure Acquisition / Rehabilitation	\$65,000	-
5	First Time Home Buyer	-	\$162,766
6	Billings Metro VISTA Project	\$75,000	-
7	Affordable Housing Development Community Housing Development Organizations	-	\$35,000 \$39,553

Table 54 – Project Information, Funding Allocations do not include Program Income

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The allocation priorities were established by identifying community needs through the Needs Assessment and Market Analysis:

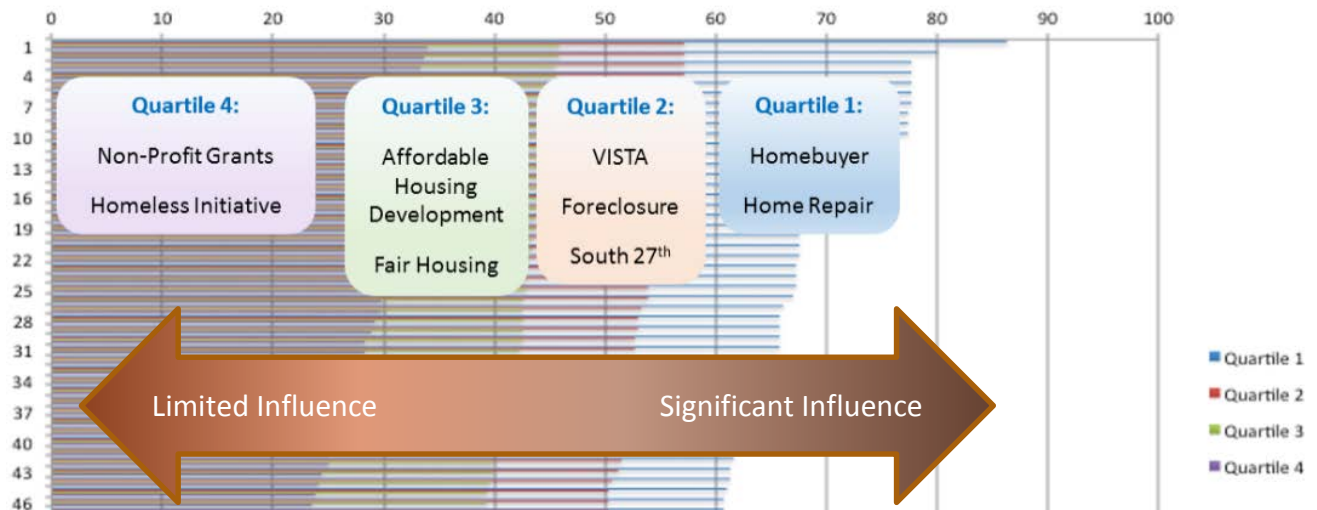
- **Affordable Housing Preservation:** Housing Rehabilitation, Manufactured Home Repair, Affordable Housing Development, and Foreclosure Acquisition / Rehabilitation.
- **New Affordable Housing Opportunities:** Community Housing Development Organizations, Affordable Housing Development, and First Time Home Buyer.
- **Poverty Impact:** Billings Metro VISTA Project.

Please Note: The priority need identified to expand fair housing choice through the *Home Center* and efforts to support the implementation of *Welcome Home Billings* to impact homelessness are primarily supported by administrative activities and will not be allocated separately from the above.

Neighborhood Task Force rankings from 2008 to the present favor home repair / buyer and affordable housing development programs. Additionally, the City Council initiated an extensive priority based budgeting process to rank programs based on how they influence the City's ability to achieve established community results, such as:

- Sustainable Economic Development
- Comprehensive, Orderly Growth and Development
- Community Resource Preservation
- Involved, Engaged and United Community

The home repair / buyer programs were ranked as having *significant influence* on the City’s ability to achieve desired community results and were ranked in the first quartile. The City’s VISTA and Foreclosure programs ranked in the second quartile, followed by Affordable Housing Development and fair housing programs.



Graphic Credit: www.pbbcenter.org; Modified by Community Development Staff to Illustrate Programs & Influence

The primary obstacle faced by the City in undertaking the activities described in its Consolidated Plan and meeting under-served needs is limited funding. The Needs Assessment identified the affordable housing needs and conditions of our community. These conditions, particularly the cost burden faced by very low income renters and homeowners, is difficult to address given existing resources.

In addition to funding for projects and programs, there is a need for additional funding for administration and planning costs to help design strategies and undertake projects to help meet these needs. There are no separate allocations to manage the implementation of Welcome Home Billings or efforts to create a Home Center outside of CDBG Administration. The City leverages its CDBG and HOME resources as evidenced by partnerships with the Montana Board of Housing and the Corporation for National and Community Service.

The City's ability to undertake such activities is limited by staffing levels. This issue has been partially addressed by establishing and supporting community partnerships to address housing and community development needs. The work of the Billings Metro VISTA Project, the Mayor’s Committee on Homelessness, the Affordable Housing Task Force, Adjacent Neighborhood Committee, Neighborhood Task Forces, various Fair Housing organizations, and the Billings Partners for American Indian Home Ownership increase local resources and capacity to address housing and community development needs.

AP-38 Project Summary

#	Project Name	Target Area	Goals Supported / Needs Addressed	Funding Not Including Program Income	Target Date	Estimate # / Type Families Benefitting
1	Administration	City of Billings	-	CDBG: \$112,548 HOME: \$26,369	6/30/15	Not Applicable
General grant administration for CDBG and HOME programs.						
2	Housing Rehabilitation	City of Billings	Affordable Housing Preservation	CDBG: \$310,193	6/30/15	5 Household Housing Units <i>Homeowner housing rehabilitated</i>
		<p>Description: Provide direct, affordable financing and assistance to low income homeowners for the completion of needed repairs citywide. Preserve existing affordable housing supply, particularly in older neighborhoods, to support the stability of the current affordable housing stock.</p> <p>Planned Activities: This program provides low income households with zero interest, no payment financing to make needed improvements. This program is intended to revitalize established neighborhoods and preserve the existing affordable housing stock through the completion of repairs to housing.</p>				
3	Foreclosure Acquisition / Rehabilitation	City of Billings	Affordable Housing Preservation	CDBG: \$65,000	6/30/15	1 Household Housing Unit <i>Homeowner housing rehabilitated</i>
		<p>Description: Provide direct, affordable financing and assistance to low income homeowners for the completion of needed repairs citywide. Revitalize low income neighborhoods through foreclosure remediation, redevelopment and infill development.</p> <p>Planned Activities: Funding to support the purchase of vacant and foreclosed properties for the purpose of rehabilitation and direct homeownership assistance to income qualified homebuyers as their primary residence. The purpose of the program is to stabilize neighborhoods, stem the decline of house values of neighboring homes due to foreclosure, and to preserve decent affordable housing.</p>				
4	Affordable Housing Development	City of Billings	New Affordable Housing Opportunity	HOME CHDO: \$39,553 HOME: \$35,000	6/30/15	0 Rental Units Constructed <i>The Affordable Housing Development Program is expected to create 2 new affordable housing units, which could be rental / owner, new construction / rehabilitation</i>
		<p>Description: Create affordable housing opportunities to further improve access to and the quality of affordable housing stock: Encourage the citywide development of new affordable single-family, multi-family and special needs housing in the community through private developers and nonprofit organizations.</p> <p>Planned Activities: This funding would be utilized to facilitate the development of new affordable housing.</p>				
5	First Time Homebuyer	City of Billings	New Affordable Housing Opportunity	HOME: \$162,766	6/30/15	35 Households Assisted <i>Direct Financial Assistance to Homebuyers</i>
		<p>Description: Create affordable housing opportunities to further improve access to and the quality of affordable housing stock: Provide affordable financing and support to promote homeownership opportunities citywide.</p> <p>Planned Activities: This program provides financial resources to support low-income first time homebuyers with down payment and closing costs. Assistance is based on household size and income. Loans are 0% interest, no-payments due until the home is sold / refinanced.</p>				
6	Billings Metro VISTA Project	City of Billings	Poverty Impact	CDBG: \$75,000	6/30/15	200 Individuals <i>Public service activity for low income benefit</i>
		<p>Description: Support housing and community development specific to lower income and special needs households through poverty-impact initiatives. Encourage collaboration to better address needs and to respond to opportunities for special needs populations.</p> <p>Planned Activities: This public service activity would support costs to implement the Billings Metro VISTA Project. These AmeriCorps members work on poverty impact issues in the community including hunger, homelessness, education, and veterans / military family support. Members are placed at nonprofit organization Host Sites and the City to assist in capacity-building efforts to strengthen agencies and the poverty-impact service continuum.</p>				
<p><i>*Community Development Block Grant (CDBG) Neighborhood Stabilization Program (NSP) HOME Investment Partnerships Program (HOME) CDBG or HOME Administration (Admin) Corporation for National and Community Service (CNCS)</i></p>						

Description of the geographic areas of the entitlement (including areas of low income and minority concentration) where assistance will be directed

The geographic area served by the Consolidated Plan is defined by the current City of Billings limits. Citation 24 CFR 91.220(f) reads as follows, “When appropriate, jurisdictions should estimate the percentage of funds they plan to dedicate to target areas.” Estimating the percentage of funds planned for dedication to target areas is not appropriate for the Billings community due to the following reasons:

- Geographic area is defined by the current City of Billings limits.
- Target areas include high concentrations of low income households, particularly those with higher concentrations of racial / minority households.
- Citywide strategies encourage the distribution of resources support affirmatively furthering fair housing and equal opportunity to avoid segregation in Billings.
- Geographic distribution of investments description includes the focus of resources on a citywide basis to support diversity across the community.
- The City of Billings is classified as a smaller city on a national scale.
- The actual dollar amount dedicated to each program is included in this Action Plan.

The City will focus distribution of investments on a citywide basis in order to support diversity and mixed-income development across the community. Neighborhood Revitalization Strategy areas **have not been established** in Billings and there is no specific amount of funding allocated for a target area in the City’s geographic distribution of resources. **Therefore, the City plans to dedicate zero percent of funding to target areas in favor of supporting a citywide approach to further fair housing, equal opportunity and anti-segregation efforts.**

Geographic Distribution	
Target Area	Percentage of Funds
Citywide	100%

Table 55 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The strategies identified in the Consolidated Plan will be addressed on a citywide basis to encourage the distribution of low income affordable housing and other assistance to lower income households throughout the community.

Introduction

Planned affordable housing for the upcoming year include Housing Rehabilitation, Foreclosure Acquisition / Rehabilitation, Affordable Housing Development, and First Time Home Buyer. While many of these programs may serve the homeless or special needs households, the programs are not designed to exclusively serve one or more of the following cohorts. The Manufactured Home Repair program is currently funded through a previous year and outcomes are not included in the below charts to avoid duplication.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	41
Special-Needs	0
Total	41

Table 56 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	5
Acquisition of Existing Units	36
Total	41

Table 57 - One Year Goals for Affordable Housing by Support Type

Introduction

The Housing Authority of Billings serves extremely low income, very low income, and low income citizens. The Housing Authority plans to apply for all grants that will assist the organization in adding units to its existing programs and any programs that complement existing services and are able to be implemented. The Housing Authority will continue to assess and implement modernization funds to upgrade and restore units and complete energy efficient repairs as needed.

Actions planned during the next year to address the needs to public housing

The Housing Authority may apply for funding to develop affordable housing through the Affordable Housing Development Program. In the past, the City has granted funds to build new units through the HOME and CDBG programs in neighborhoods where Housing Authority property exists. The City has also provided funding for a variety of rehabilitation and new construction projects to neighborhoods that have public housing units in need of upgrading.

The City has helped rehabilitate properties, sold land for new businesses, and granted land to nonprofits to assist with neighborhood revitalization efforts in neighborhoods where Housing Authority complexes have been built. The City has provided funding for parks and play areas for the neighborhoods where Housing Authority families reside. In addition, the businesses that have moved into areas where Housing Authority properties are located have contributed to the economic stability of the Housing Authority clients. The City's First Time Home Buyer program assists with home ownership down payment assistance and home ownership counseling for clients considering homeownership.

The City coordinates with the Housing Authority for environmental reviews, housing needs assessments, assists in funding new projects when appropriate, and assists with applications for supportive services when called upon for needed assistance.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The Housing Authority implements the Family Self-Sufficiency program. This program links participants to community agencies to help them become self-sufficient through individual goal setting. Fifty-five families participated in the program in 2014. Three families moved into homeownership, two with continued assistance and one without. Forty-one households have achieved homeownership through this program to date. Resident councils, an Advisory Board and the Family Self-Sufficiency Panel are involved in providing input on program needs and assisting others to become actively involved in the process. Additional information is included in the five-year plan on file at the Housing Authority office.

Each year, the Housing Authority goes through a process to assess physical needs addressed by tenants through their Resident Advisory Board for the Annual Plan process; comments are also solicited via Resident Council functions throughout the year. These comments, Board participation, tenant commissioners, and Public Housing Administration's daily communications with the Housing Authority's client base serve to assist in assessing client needs for physical adjustments, security issues, and needed

links with the community. The physical needs requests are implemented along with staff recommendations in the Capital Fund planning process.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not applicable. The Housing Authority is a High Performer for PHAS and, therefore, a review of troubled status needs is not required as part of this Consolidated Plan.

Introduction

As previously stated in the SP-60 Homelessness Strategy of this Consolidated Plan, the Community Development Division's ongoing activities include:

- Supporting the annual *Billings Community Connect* event, formerly known as Project Homeless Connect.
- Continuing to develop and distribute the City's *Resource Map* and *Notepad*, which includes a comprehensive downtown service directory for anyone seeking assistance.
- Supporting capacity building efforts for nonprofit organizations who provide direct assistance to the homeless and those at risk of homelessness through the *Billings Metro VISTA Project*.
- Supporting ongoing *Community Innovation Summit* efforts to engage those living on the streets in service provision and treatment.

The City does not receive McKinney-Vento Homeless Assistance Act funds and is not required to develop and implement a Discharge Coordination Policy. The Montana Continuum of Care (MT CoC) for the Homeless Coalition is the state's lead agency for addressing homeless activities, and is a statewide collaboration of diverse homeless service providers, nonprofit organizations and local and state governments. The coalition was formed to address homelessness with very few resources to cover Montana's vast geographical area. The system is established upon community and regionally based continuum of care systems, which form the statewide coalition and continuum of care process. The City supports the MT CoC in their efforts to establish a Statewide Discharge Coordination Policy.

The City's work with the homeless is impacted significantly by the fact that it is not a direct recipient of homeless funding. Funds are provided to the State of Montana and are distributed by the State to various regions in Montana through the Human Resource Development Councils. A Continuum of Care application is prepared on a statewide basis and the City plays a supportive role in this process.

The City's homeless activities are complemented by the work of a primary provider of shelter to individuals and women and families in Billings; the Montana Rescue Mission (MRM). The MRM effectively raises funds to support its various activities including job training and transitional housing programs. The Rescue Mission traditionally has not pursued or accepted government grants.

The City does not receive Emergency Shelter Grant funds. These funds are distributed statewide by the Montana Department of Public Health and Human Services through ten Human Resource Development Councils throughout the state. The local District 7 HRDC utilizes these funds to support rapid re-housing activities in conjunction with the local shelters.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Public and private agencies have assisted the City in developing a ten-year plan to impact homelessness, Welcome Home Billings. Local organizations that provide housing, health services, and social services have been intricately involved in planning processes for the homeless and chronically homeless, including members of the Mayor's Committee on Homelessness.

To the greatest extent possible, City staff will continue to implement *Welcome Home Billings*, the City's ten-year plan to impact homelessness. It is a comprehensive document that includes data, resources, cross-cutting strategic goals and programmatic goals as noted in SP-40 Institutional Delivery Structure. Specific Goals and strategies relative to **outreach** activities are as follows.

Cross Cutting Goals - Awareness:

- B: Increase advocacy and public knowledge on behalf of the homeless.
- B4: Provide venues for those experiencing homelessness to have their ideas and concerns heard.

Programmatic Goals & Priorities - Services:

- G: Expand treatment /service capacity and linkage to essential services.
- G1: Expand coordinated intensive case management and street outreach services for the homeless.

The Mental Health Center manages the PATH outreach program to engage those living outside or in areas unfit for human habitation. Tumbleweed runs a Street Outreach program to seek out unaccompanied youth to engage them in services. A complete listing of services, including outreach, is included in the MA-30 Homeless Facilities and Services section of this Consolidated Plan.

Addressing the emergency shelter and transitional housing needs of homeless persons

To the greatest extent possible, City staff will continue to implement *Welcome Home Billings*, the City's ten-year plan to impact homelessness. It is a comprehensive document that includes data, resources, cross-cutting strategic goals and programmatic goals as noted in SP-40 Institutional Delivery Structure. Specific Goals and strategies relative to **emergency and transitional housing** activities are as follows.

Programmatic Goals & Priorities - Housing:

- E: Increase the City's supply of decent, affordable housing.
- E1: Increase supportive housing units, permanent rentals, transitional housing units, veterans housing, emergency shelter beds, housing for those returning from prison and those in recovery.
- E2: Seek federal, state and local funding sources to support affordable housing development for households with very low income (zero - 30% AMI).
- E3: Build local service provider capacity for affordable housing development, management and housing rehabilitation.
- E6: Facilitate collaborative grant and loan applications for affordable housing development to serve the homeless.

Programmatic Goals & Priorities - Prevention:

- F: Expand treatment / service capacity and linkage to essential services.
- F1: Increase funding dedicated to rent, utilities and mortgage assistance.
- F2: Support incentive programs for landlords to rent to the homeless or those at risk for homelessness, and increase service provider capacity to engage in long-term leasing and / or rental ownership.
- F3: Support pre-release / discharge planning education and intervention for all institutional services including foster care, prison, jail, and behavioral health facilities.
- F4: Utilize housing first and rapid re-housing philosophies in developing housing options to shorten homelessness.

- F5: Support case management efforts to transition occupants from shelter care to permanent supportive housing.
- F6: Support landlord-tenant intervention to prevent eviction.

The shelter homeless needs for the Billings community are primarily met by the Montana Rescue Mission, which operates both a men’s shelter and a women and family shelter. Montana Rescue Mission does not seek nor utilize federal funds for its operation. Several local service providers assist homeless families by providing funding for rent, mortgage, utility, and deposit assistance.

The Community Crisis Center provides crisis intervention and 23 hour stays as a technique to impact chronic homelessness. The YWCA provides transitional housing for victims of domestic violence. A complete listing of services, including emergency and transitional housing, is included in the MA-30 Homeless Facilities and Services section of this Consolidated Plan.

For those living on the downtown streets of Billings, a new position has been created for an addiction / mental health counselor to accompany two downtown police officers when engaging people living on the streets. This initiative has been undertaken as one of the many outcomes from the Community Innovations Summit, which was facilitated by the Community Development Division and the Downtown Billings Alliance. A [recent article](#) published by the Billings Gazette highlights immediate successes as a result of this program.

A complete list of service providers offering housing, services and prevention support is located in MA-30 Homeless Facilities and Services.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

To the greatest extent possible, City staff will continue to implement **Welcome Home Billings**, the City’s ten-year plan to impact homelessness. Specific Goals and strategies relative to **service, housing and prevention** activities are as follows.

Programmatic Goals & Priorities - Housing:

- E5: Decrease barriers to obtaining existing housing units and refine housing placement services and coordination.

Programmatic Goals & Priorities - Prevention:

- F: Expand treatment / service capacity and linkage to essential services.
- F1: Increase funding dedicated to rent, utilities and mortgage assistance.
- F2: Support incentive programs for landlords to rent to the homeless or those at risk for homelessness, and increase service provider capacity to engage in long-term leasing and / or rental ownership.
- F3: Support pre-release / discharge planning education and intervention for all institutional services including foster care, prison, jail, and behavioral health facilities.

- F4: Utilize housing first and rapid re-housing philosophies in developing housing options to shorten homelessness.
- F5: Support case management efforts to transition occupants from shelter care to permanent supportive housing.
- F6: Support landlord-tenant intervention to prevent eviction.

Programmatic Goals & Priorities - Services:

- G: Expand treatment /service capacity and linkage to essential services.
- G1: Expand coordinated intensive case management and street outreach services for the homeless.
- G2: Increase assistance to complete applications and facilitate application streamlining to access services, transportation, employment and housing.
- G3: Increase availability and capacity of health care, mental health, substance abuse services, medication assistance and access to legal assistance to the very low income / uninsured.
- G4: Support increases in capacity for day center operations across the city.
- G5: Support expansion of community-based, criminal justice diversion and re-entry programs.
- G6: Establish one-stop shop to access all services for the homeless.

Programmatic Goals & Priorities - Assets:

- H: Increase personal income levels and economic opportunities.
- H1: Increase access to social service and income benefits by ensuring assistance is provided to complete applications.
- H2: Support asset development, education, job training, and employment opportunities serving the homeless (and those at risk of homelessness) throughout the community.
- H3: Establish mentoring support systems, life skills training, and childcare assistance to the homeless (and those at risk of homelessness) currently in the workforce.
- H4: Support the expansion of financial fitness and credit assistance programs.
- H5: Promote fair wage rates and competitive bidding through the expansion of social enterprise efforts.
- H6: Increase financial management services for those in need.

A complete list of service providers offering housing, services and prevention support is located in MA-30 Homeless Facilities and Services.

Helping low income individuals and families avoid becoming homeless, especially extremely low income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

To the greatest extent possible, City staff will continue to implement *Welcome Home Billings*, the City's ten-year plan to impact homelessness. Specific Goals and strategies relative to **prevention** activities are as follows.

Programmatic Goals & Priorities - Prevention:

- F: Expand treatment / service capacity and linkage to essential services.
- F1: Increase funding dedicated to rent, utilities and mortgage assistance.

- F2: Support incentive programs for landlords to rent to the homeless or those at risk for homelessness, and increase service provider capacity to engage in long-term leasing and / or rental ownership.
- F3: Support pre-release / discharge planning education and intervention for all institutional services including foster care, prison, jail, and behavioral health facilities.
- F4: Utilize housing first and rapid re-housing philosophies in developing housing options to shorten homelessness.
- F5: Support case management efforts to transition occupants from shelter care to permanent supportive housing.
- F6: Support landlord-tenant intervention to prevent eviction.

Introduction

A complete explanation on identified barriers to affordable housing can be found in the SP-55 Barriers to Affordable Housing section of this Consolidated Plan.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The City plans on assisting with: housing affordability for renters / owners; cost of development; difficulty in paying for needed repairs; manufactured housing developments; and tax structure by implementing the following programs:

- Housing Rehabilitation
- Manufactured Home Repair
- Foreclosure Acquisition / Rehabilitation
- First Time Home Buyer
- Affordable Housing Development

Relative to the barriers identified in the City's Analysis of Impediments to Fair Housing Choice, the City plans on the following:

- Produce and disseminate consumer education on Fair Housing issues through ongoing publicity campaigns to make people aware that they can move anywhere in the area they can afford.
- Work to expand housing choices of existing and potential new residents beyond neighborhoods identified by their own race or ethnicity.
- Continue to partner with enforcement agencies providing testing of the real estate industry practitioners to identify discriminatory practices in rental and for-sale housing.
- Support the efforts of local housing counseling agencies, especially to Latinos, before they apply for a mortgage.
- Continue to provide brochures containing information apprising potential home buyers of the availability of housing counseling and how to spot / report discriminatory lending practices.
- Continue to work toward the provision of affordable housing through Community Development programs.
- Support the efforts of the Planning Division in reviewing:
 - Minimum percentage of affordable housing units per development with five or more units.
 - Housing Authority of Billings first right of refusal for inclusionary units.
 - Amendments for neighborhood plans to promote stable, socio-economically diverse neighborhoods throughout Billings.
 - Affirmative marketing and billboard advertising requirements.
 - Developer brochure distribution requirements.

- Fair Housing logo / language requirements for agreements.
- Occupancy requirements and equal treatment for group living for the disabled.
- Accessory dwelling units / cottage cluster homes.
- Support efforts promote economic diversity in all schools to ensure every school has a majority of pupils coming from middle-class / higher-income households.
- Support the Housing Authority's efforts to expand the geographic range where holders of Housing Choice Vouchers look for housing.

AP-85 Other Actions

91.220(k)

Introduction

The City's programs have been designed to meet priority needs in the community. However, there is very limited funding coming through the City to meet the needs of local citizens.

Actions planned to address obstacles to meeting underserved needs

The City plans on meeting underserved needs through the following programs:

- **Affordable Housing Preservation:** Housing Rehabilitation, Manufactured Home Repair, Affordable Housing Development, and Foreclosure Acquisition / Rehabilitation.
- **New Affordable Housing Opportunities:** Community Housing Development Organizations, Affordable Housing Development, and First Time Home Buyer.
- **Housing Choice:** Fair housing education in all City programs and supporting the development of the Billings Home Center.
- **Poverty Impact:** Billings Metro VISTA Project.

Please Note: The priority need identified to expand housing choice is supported by administrative activities and will not be allocated separately from the above.

Actions planned to foster and maintain affordable housing

The City plans on maintaining affordable housing through the following programs:

- **Affordable Housing Preservation:** Housing Rehabilitation, Manufactured Home Repair, Affordable Housing Development, and Foreclosure Acquisition / Rehabilitation.
- **New Affordable Housing Opportunities:** Community Housing Development Organizations, Affordable Housing Development, and First Time Home Buyer.

Actions planned to reduce lead-based paint hazards

The City continues to be in compliance with HUD's lead-based paint requirements as established in September of 2000. According to the American Community Survey estimates from 2007-2011, it is estimated that there are over 29,317 housing units built before 1979 that are at risk of containing lead-based paint, which comprises 64% of the total housing stock in Billings. Not all of the homes built prior to

1979 contain lead-based paint and lead hazards. However, projects involving structures built prior to 1978 are considered to have the potential for lead-based paint and consistent procedures have been developed to ensure compliance with federal regulations.

In 2012, the Center for Disease Control recommended action for children with elevated levels greater than or equal to five ug/dL. The Montana Department of Public Health and Human Services cited a [2012 field study](#) conducted in 11 counties in the state. Children enrolled in Medicaid aged one to five years were tested for elevated blood lead levels. Nearly 600 children participated in the study, and three percent of the children had levels \geq five ug/dL. One in four of the children tested had \geq one ug/dL. This information is the latest data available on children in Montana and exposure to lead as of March 2014.

The City will continue diligence while undertaking rehabilitation and construction activities in order to maintain the safety of households participating in federal programs. Participants in the City's housing programs are made aware of the requirements the City must follow when providing assistance. Education on the hazards of exposure to lead is provided for each rehabilitation project. The City currently offers risk assessments, through certified staff, paint inspections, clearance testing, and has access to lead-safe certified contractors to ensure compliance.

In addition, the City also promotes lead-safe work practices training whenever it is offered in Montana, which gives local contractors the opportunity to become certified in lead-safe work methods. The City will continue to maintain working relationships and partner in furthering educational efforts with lead-based paint professionals to ensure HUD requirements are effectively met.

Actions planned to reduce the number of poverty-level families

As previously stated in the SP-60 Homelessness Strategy of this Consolidated Plan, the Community Development Division's ongoing activities include:

- Supporting the annual Billings Community Connect event, formerly known as Project Homeless Connect.
- Continuing to develop and distribute the City's Resource Map and Notepad, which includes a comprehensive downtown service directory for anyone seeking assistance.
- Supporting capacity building efforts for nonprofit organizations who provide direct assistance to the homeless and those at risk of homelessness through the Billings Metro VISTA Project.
- Supporting ongoing Community Innovation Summit efforts to engage those living on the streets in service provision and treatment.

To the greatest extent possible, City staff will continue to implement **Welcome Home Billings**, the City's ten-year plan to impact homelessness. It is a comprehensive document that includes data, resources, cross-cutting strategic goals and programmatic goals. The City also plans on reducing the number of poverty-level families through the Billings Metro VISTA Project.

Actions planned to develop institutional structure

Affordable Housing Preservation: The City has the comprehensive ability to address priority needs through home repair programs such as Housing Rehabilitation, Manufactured Home Repair, and Foreclosure Acquisition / Rehabilitation programs. Contractors trained in lead-safe work methods are limited and staff advertises contractor opportunity through print media, on the City's website, through the Neighborhood Task Forces and holding public informational meetings. Emphasis on the provision of opportunity to Section 3, minority and women-owned businesses ensures furthering equal opportunity to low income owners / employers, racial / ethnic minorities and businesses owned by women.

New Affordable Housing Opportunity: The City maintains positive relations with the Housing Authority of Billings, developers, lenders, realtors and others to ensure collaboration and engagement in the implementation of First Time Home Buyer and Affordable Housing Development programs. City staff currently facilitates regular meetings for the Affordable Housing Task Force and Billings Partners for American Indian Home Ownership to facilitate engagement and participation in City programs. The City has one currently certified Community Housing Development Organization and is actively seeking additional organizations for the purposes of affordable housing development.

Housing Choice: City staff maintain positive and close relationships with the staff at Montana Fair Housing, which is the primary organization in fair housing education and enforcement for the state. The City's Analysis of Impediments to Fair Housing Choice revealed the beginnings of segregated neighborhoods and lending discrimination for Hispanic Americans in Billings. The Analysis contained the following recommendation:

Billings should establish a housing service center, much like the Oak Park Regional Housing Center, where home seekers are introduced to housing options beyond the racial or ethnic neighborhoods to which they often feel they are limited. In Billings, the housing service center should seek to expand the housing search of minorities beyond the census tracts where the proportion of minorities is significantly greater than would be expected in a free market without discrimination. It should seek to expand the housing choices of Whites to those parts of the city where the proportion of Whites is less than would be expected in a discrimination-free housing market.

At the invitation of the City, NeighborWorks Montana researched the potential of a comprehensive housing center to serve low income renters and homeowners. All of the Billings housing organizations, including the City of Billings, the Housing Authority of Billings, Rebuilding Together, District 7 HRDC, Rural Dynamics, Beartooth Resource Conservation and Development, and Homeward agreed to join together to form the Home Center of Billings. To date, \$105,000 has been raised from private investors. A suitable building has been located in downtown Billings, which is central to the City's low income and minority neighborhoods.

The Home Center is expected to provide comprehensive housing services including fair housing information, housing education, counseling, development and revitalization. As a collaboration, no single entity will provide all of the services, but collectively, services can be available under one roof, creating the opportunity for a potential homebuyer or a renter seeking safe, affordable homes to access all of the services in a one-stop-shop.

Poverty Impact: CDBG and HOME resources are not adequate to meet the needs of the homeless and those experiencing poverty in Billings. The City's main anti-poverty initiative is the implementation of the Billings Metro VISTA Project. The City has provided full-year and summer associate support to 37 nonprofit organizations to date and the continuance of this initiative is imperative to support capacity building

efforts to strengthen service delivery to those in need. The Billings Metro VISTA Project enables the City to support nonprofit organizations in a sustainable fashion since the provision of public service grants is no longer an option due to historically low CDBG allocations. To the greatest extent possible, City staff will continue to implement *Welcome Home Billings*, the City's ten-year plan to impact homelessness.

Actions planned to enhance coordination between public and private housing & social service agencies

The City will continue coordinating with public, private, and social service agencies to further activities and projects identified herein, including participation in the following groups and initiatives:

- Neighborhood Task Forces
- Adjacent Neighborhood Committee
- Affordable Housing Task Force
- Billings Partners for American Indian Home Ownership
- Mayor's Committee on Homelessness
- Community Innovations Initiatives
- Billings Community Connect
- Resource Map and Notepad
- Billings Metro VISTA Project

Introduction

The City of Billings has programmed all available revenues in current programs identified herein.

**Community Development Block Grant Program (CDBG)
Reference 24 CFR 91.220(l)(1)**

1. Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.	\$0
2. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	\$0
3. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	\$0
4. The amount of surplus funds from urban renewal settlements	\$0
5. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	\$0
6. The amount of income from float-funded activities.	\$0
Total Program Income:	\$0

Other CDBG Requirements

1. The amount of urgent need activities.	\$0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two, or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specific the years covered that include this Annual Action Plan.	100%
Years Covered are 2015-2016	

**HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(l)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The above-noted regulation refers to the use of HOME funds for eligible activities. The City of Billings will not utilize HOME funds outside of the following allowable investments:

- Equity investments, interest-bearing loans or advances, non-interest-bearing loans or advances, interest subsidies consistent with the purposes of this part, deferred payment loans, grants, or other forms of assistance that HUD determines to be consistent with the purposes of this part. Each participating jurisdiction has the right to establish the terms of assistance, subject to the requirements of this part.
- Guarantee loans made by lenders and, if required, the participating jurisdiction may establish a loan guarantee account with HOME funds. The HOME funds may be used to guarantee the timely payment of principal and interest or payment of the outstanding principal and interest upon foreclosure of the loan. The amount of the loan guarantee account must be based on a reasonable estimate of the default rate on the guaranteed loans, but under no circumstances may the amount on deposit exceed 20% of the total outstanding principal amount guaranteed; except that the account may include a reasonable minimum balance. While loan funds guaranteed with HOME funds are subject to all HOME requirements, funds which are used to repay the guaranteed loans are not.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Recapture provisions permit the original homebuyer to sell the assisted property to any willing buyer during the period of affordability while the City is able to recapture all or a portion of the HOME assistance provided to the original homebuyer. The City utilizes recapture provisions exclusively when assisting homeowners and the provisions are enforced via a Promissory Note (not recorded), the use of a Deed Restriction Agreement and a Montana Trust Indenture that are both recorded at the Yellowstone County Clerk and Recorder's office. These written, legal documents contain language outlining the recapture provisions as established herein. The City does not use subrecipients or other grantees to carry out these activities.

Homebuyer Requirements: In order for homeownership housing to qualify as affordable housing eligible for HOME funding, it must be: single-family; considered modest housing; be acquired by a low income household for their principal residence; and meet affordability requirements for a single period of time as determined by the amount of assistance provided.

Direct HOME Subsidy: The amount of HOME assistance that enabled the homebuyer to buy the unit. The direct subsidy includes down payment and closing costs provided directly to the homebuyer, which resulted in a reduced purchase price from the fair market value of the home to an affordable price. The entire amount of HOME assistance is subject to recapture.

Net Proceeds: The sales price, less the superior loan repayment and any closing costs. The City will only recapture the net proceeds from a sale. Any loans or improvements made to the property after the time of the HOME assistance will be paid after the City is repaid the amount owed under its

recapture provisions. If the net proceeds are not sufficient to recapture the full HOME investment, the City will accept the available net proceeds as full payment.

Recapture Model - City Recaptures Entire HOME Assistance Amount: The City allows the assisted homebuyer to retain all appreciation and the City expects to recapture the entire direct HOME subsidy invested in the project. Therefore, the homeowner will retain any value of the appreciation of the property after the City's HOME assistance has been recaptured / repaid. The homeowner's down payment, principal payments, and any capital improvement investment made in the property after the HOME assistance was provided will be returned to the homeowner at closing after the City's HOME assistance is recaptured and repaid from the net proceeds as described above.

Subordination: The City does not subordinate loans in the First Time Homebuyer program and other homeowner-assisted projects without City Council approval. Therefore, if an assisted homeowner refinances the property, the City will need to be repaid the full amount of HOME assistance provided. Assisted homeowners wishing to pursue City Council approval may write a letter explaining the need for the subordination and submit it to the Community Development Division. Staff will then prepare a memo and place the subordination on the Community Development Board agenda for recommendation to the City Council.

Use of Recaptured Funds: Recaptured HOME funds will be used to assist other first time homebuyers to purchase property in Billings or other HOME-eligible activities to be determined through the City's budget allocation process in accordance with the Citizen Participation Plan. Homebuyers must be low-income and must use the assisted property with the recaptured funds as their principal residence. Low-income and first time homebuyer status will be determined based on HOME program regulations.

Resale: the objective of the resale provision is to continue the affordability of a property in the event of resale and applies to HOME assisted projects restricting assistance to a development subsidy; construction, infrastructure, land acquisition, etc. In the event the City provides HOME assistance as an exclusive development subsidy, the seller would be obligated to either find an income-eligible buyer (under 80% AMI) who could afford the sales price or would have to sell the property back to the City / Developer at a price that will keep the property affordable for the next low-income buyer.

Housing providers may find the resale option beneficial as they may be able to retain control of the unit to ensure long-term affordability. Property sellers are entitled to a fair return on their investment; percentage of change in area median income over the period of ownership. The base price is the original homebuyer investment plus the value of any upgrades beyond maintenance. The sales price is the comparative price to the base price. In the event of a declining market, a loss on investment may constitute a fair return.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds. See 24 CFR 92.254(a)(4) are as follows:

Long Term Affordability: Under the recapture provision, there is no requirement that the original HOME-assisted homebuyer sell the unit to another low-income homebuyer.

Affordability Periods: For City-assisted homebuyer units under the recapture provision, the period of affordability is based upon the direct HOME subsidy provided to the homebuyer that enabled the homebuyer to purchase the unit. Any program income used to provide direct assistance to the homebuyer is included when determining the period of affordability. Recapture provisions for the First Time Homebuyer program are either five or ten years for each assisted property beginning after

the transfer of the property to the property owner as evidenced by the Deed Restriction Agreement, Montana Trust Indenture and Promissory Note.

4. **Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:**

The City of Billings does not propose the use of HOME funds to refinance existing debt secured by multi-family housing that is being rehabilitated with HOME funds.