

FY2010-2011
Year One

*of the FY2010-2014
Consolidated Plan*

City of Billings One-Year
Consolidated Plan



Community Development Division
PO Box 1178
Billings, Montana 59103

DUNS #194782780

SECTION SIX - Resources

Available Funding, Expenditure Limits and Match Requirements

CDBG administration and planning activities are budgeted at \$187,906 which is 20% of the new CDBG allocation (\$772,435) in addition to eligible program income left over from the previous year and including income from the current year (\$167,095). The proposed budget also includes \$67,034 in projects which have been cancelled or completed (cannot be included in administration costs). One hundred percent of available funding will be used to benefit the low to moderate income households.

The amount of funding available for Public Service Activities is \$141,487. This amount represents 15% of prior year income (15% of \$170,809 is \$25,621) and the new CDBG allocation (15% of \$772,435 is \$115,865), and no additional reprogrammed funding from Public Services from prior years.

HOME administration activities are budgeted \$53,812 which includes 10% of estimated new HOME revenue (10% of \$538,119 is \$53,812). As First Time Homebuyer funding returned to the City prior to the affordability period expiring is considered "recaptured" funding, no additional "program income" has been received and considered eligible for additional administration expenses.

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.

Neighborhood Stabilization Program Plan

The City of Billings approved a Substantial Amendment to the City of Billings' Annual Action Plan for FY2008-2009 on January 26, 2009 to utilize funds provided under the Housing and Economic Recovery Act of 2008 (HERA) (Pub.L.110-289, 122 Stat. 2654, enacted July 30, 2008) through the HUD Neighborhood Stabilization Program (NSP). The geographic area covered in the Action Plan and amendment is the City of Billings municipal boundaries, with priority emphasis on areas with a high foreclosure risk in low income task force areas.

The NSP provides \$19.6 million in CDBG funds to the Montana Department of Commerce (MDOC) to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within its communities. In addition, the funds can be used to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes.

The City of Billings intends to utilize granted funding in a manner that complies with regulations established by HUD as published in the Federal Register on October 6, 2008. This includes obligating funding via contract for service within 18 months of HUD's approval of the MDOC's Action Plan Amendment¹ and full expenditure of obligated funds within 48 months of HUD's approval date.

¹ Montana Department of Commerce Website, November 2008, http://housing.mt.gov/Includes/CP/ApplicationDocs/CP_NSP-Amendment.pdf

All projects will be located in the City of Billings municipal limits which have been determined to be eligible for NSP project funding due to city blocks having HUD foreclosure risk scores between five and eight. Periods of affordability will be assigned in accordance with the subsidy amount committed and expended for each project. The City will not undertake activities which will trigger the Uniform Relocation Act. The City will be leveraging funding from available application sources including CDBG, HOME and partner-provided funding sources to facilitate NSP activities.

In general, the City will undertake the following activities, to be funded in part with NSP funding:

- Acquisition, rehabilitation (including infrastructure as part of redevelopment) and resale of foreclosed or abandoned homes to income qualified homebuyers as their primary residence;
- Financial assistance to income qualified homebuyers who are purchasing an abandoned or foreclosed home; and
- Acquisition of properties and demolition of existing structures that meet the definition of blight in the community. These properties will be redeveloped in the future for use as permanent affordable housing.

As required, all NSP funding must be committed within an 18 month timeframe and must be carried out within four years. The projects will begin in early 2009 and will be continued until early 2013.

The City's full Neighborhood Stabilization Program plan is available to view online: <http://ci.billings.mt.us/DocumentView.asp?DID=4163> and is included in the Appendices.

CDBG Stimulus Funding

The City received HUD notice of an additional \$190,430 in stimulus funding (CDBG-R) subsequent to the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) signed into law by President Obama on February 17, 2009.

Staff created a new program to provide funding specifically for energy-efficiency and conservation upgrades in addition to providing funding for down payment and closing costs. Assistance levels are proposed for homeownership ranging from \$10,000 to \$15,000 according to household income. With an additional investment of up to \$15,000 for energy-efficiency upgrades, the City anticipates assisting up to nine low-income households to achieve homeownership with cost containment for utilities for years to come. The program is designed to ensure maximal job creation, long-term economic benefit and meets the area's most insurmountable need - affordable housing.

The Community Development Division does not anticipate receiving other stimulus funding directly.

Resources Complimenting the HOME Program

In addition to HOME funding, the City of Billings will also pursue the following resources:

- Montana Board of Housing of approximately five million dollars for first time homebuyer activities.
- Funding through financial institutions and organizations such as Fannie Mae American Communities Fund for new or rehabilitated housing.

In addition to these resources, the City of Billings will also either pursue or support applications for funding as requested for the following programs subject to the priorities established in the Consolidated Plan:

- HUD Section 202 Senior Housing;
- HUD Section 811 Housing for the Physically Disabled;
- HUD Supportive Housing and Shelter Plus Care Programs;
- Special appropriations available through Congress for special projects;
- Funding through the Federal Home Loan Bank; and
- Low-Income Housing Tax Credits.

The City of Billings also is considered a partner in many activities that address the community's housing needs particularly those carried out by human service agencies as public service activities in the CDBG program. The City's contribution to these projects often represents a small part of the overall funding resources to address a particular need. Furthermore, there are other local, state, and federal resources to address those needs such as FEMA funding for emergency shelters, funding received by the Housing Authority of Billings, and rental assistance provided by private non-profit assisted housing providers.

Periods of Affordability for Current Resale / Recapture Projects

Beginning on July 1, 2009, recapture provisions for the First Time Homebuyer program will be either five or ten years for each assisted activity beginning after the transfer of the property to the property owner as evidenced by the Mortgage Agreement.

The overall Kings Green Affordable Housing Development project will bring a total of 49 new affordable single-family units to the overall housing stock in Billings. Phases I and II have resulted in 25 units and Phase III will be commencing this fiscal year to add an additional 14 units. These units will be subject to recapture provisions.

homeWORD may bring forth a single-family project to accommodate a workout plan to replace years of affordability lost in a previous subdivision development. This project may be subject to the resale provision in order to ensure long-term affordability and the period of affordability will be extended in order to replace years of affordability lost.

Fair Return to Seller

Fair return to the seller will be accomplished by recapturing the net proceeds from the sale of the property up to the amount of HOME assistance provided. Net proceeds will be defined by the City of Billings as the sales price minus repayment, closing costs, and any acquisition loan made at the time of the HOME assistance. 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. The homeowner's down payment, principal payments, and any capital improvement investment made in the property after the HOME assistance has been provided will be returned to the homeowner at closing after the City's HOME assistance has been recaptured from the net proceeds as described above. The homeowner also will retain any value of the appreciation of the property after the City's HOME assistance has been recaptured.

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.

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.

SECTION SEVEN - Annual Objectives & Tables

Table 3A, Version One is a summary of specific annual objectives which organizes objectives by type, including rental housing, owner housing, special needs, community development, public facilities, public services and economic development. The table identifies sources of funds, performance indicators, expected numbers, actual numbers and the identification of HUD’s established outcomes / objectives.

Table 3A, Version Two is a summary of specific annual objectives which organizes objectives by HUD’s established outcomes / objectives, including:

- Availability / accessibility of decent housing (DH-1)
- Affordability of decent housing (DH-2)
- Sustainability of decent housing (DH-3)
- Availability / Accessibility of suitable living environment (SL-1)
- Affordability of suitable living environment (SL-2)
- Sustainability of suitable living environment (SL-3)

The table also identifies sources of funds, performance indicators, expected number, actual number and percent completed. Table 3A requests actual outcome numbers. These figures will be located in the City’s Comprehensive Annual Performance Evaluation Report (CAPER) for each fiscal year.

HUD OBJECTIVES / OUTCOMES MATRIX			
	<i>Availability / Accessibility</i>	<i>Affordability</i>	<i>Sustainability</i>
<i>Decent Housing</i>	DH-1	DH-2	DH-3
<i>Suitable Living Environment</i>	SL-1	SL-2	SL-3
<i>Economic Opportunity</i>	EO-1	EO-2	EO-3

The following table meets the requirements of both versions of Table 3A. Goals related to capacity-building for non-profit organizations and administrative support tasks such as newsletter distribution for low-income neighborhood task forces do not relate well to the established HUD Outcomes / Objectives matrix, and are also identified in the table as “Admin”.

Table 3B: Annual Affordable Housing Completion Goals information will be provided in the CAPER. Expected annual number of housing units and funding source is currently identified in Goals for the Consolidated Plan and Tables 3C.

Tables 3C can be found in the Appendices.

GOALS FOR FY2010-2011 CONSOLIDATED PLAN: *Table 3A*

July 1, 2010 through June 30, 2011 Goals

Strategy	Objective	Activity	Measurement Type	FY2010-2011 Goals	Objectives / Outcomes	Funding Source
A: Promote the preservation of the existing supply of safe, affordable housing in the community.	Provide direct, affordable financing and assistance to low-income homeowners for the completion of needed repairs.	Housing Rehabilitation Loan Program	Housing Units	10	SL-2	CDBG
		Minor Home Repair Program	Housing Units	20	SL-2	CDBG
		Painting Program	Housing Units	2	SL-2	CDBG
	Provide financing and assistance through partnerships to facilitate needed repairs for special needs populations.	Wheelchair and accessibility ramps	Ramps - Housing Units	6	DH-1	CDBG
		Rehabilitation for special needs populations	Housing Units	3	DH-2	CDBG
	Benchmark Performance Measures	# units rehabilitated through City programs:		0	-	-
		# units rehabilitated through partnership programs:		0	-	-
% of total funding allocated to enhance existing housing:		0	-	-		
B: Promote new affordable housing opportunities.	Encourage the development of new affordable single-family, multi-family and special needs housing in the community through private developers and non-profit organizations.	Affordable Housing Development Program	Housing Units	20	SL-2	CDBG/HOME
		Complete Kings Green single-family development	Housing Units	3	SL-2	HOME
		Support the efforts of the Housing Authority of Billings	Five-Year Plan Implemented	1	DH-2	ADMIN
		Meet CHDO commitment / expenditure deadlines	Years in compliance	1	SL-2	HOME
	Provide affordable financing and support to promote homeownership opportunities.	First Time Homebuyer Program	Households	35	SL-2	CDBG/HOME
			Cumulative Households	-	-	-
		First Time Homebuyers - MBOH Set-Aside Use	Households	7	DH-2	-
			Leveraged Funding	\$0.8M	-	-
		Homebuyer Education	Households	200	EO-3	CDBG/HOME
	Billings Partners American Indian Homeownership	Homeownership Rate (1992 benchmark: 22%)	0.08	EO-1	ADMIN	
	Benchmark Performance Measures	% of total funding allocated to promote new housing opportunity:		0	-	-

C: Active partnerships with non-profits, neighborhood groups and others to address housing and community development specific to lower income and special needs households.	Support partnerships and regular meetings to facilitate community participation and collaboration.	Affordable Housing Task Force	Monthly Meetings	10	DH-2	ADMIN
		Adjacent Neighborhood Committee	Quarterly Meetings	4	SL-1	ADMIN
		Billings Partners American Indian Homeownership	Monthly Meetings	10	EO-1	ADMIN
		Analysis of Impediments to Fair Housing Choice completed in December 2013 to implement activities for 2014-2019	Analysis / Plan completed	0.2	SL-1	ADMIN
	Support task force newsletters and further capacity-building for self-sustainability.	Task Force newsletter support	Newsletters	10,000	SL-1	ADMIN
	Encourage activities that promote fair housing and increase awareness of the rights of protected classes.	Continue to support the Community Housing Resource Board in applying for FHIP, facilitate application if necessary	Annual submission of FHIP grant representing residents of Billings	1	SL-1	ADMIN
	Encourage collaboration to better address needs and to respond to opportunities for special needs populations.	Mayor's Committee on Homelessness	Monthly Meetings	10	EO-3	ADMIN
		Assist in the implementation of Welcome Home Billings, the City's ten-year plan to impact homelessness.	Completed FY09-11 & FY11-13 Action Plans	1	SL-1	ADMIN
			Completed FY09-11 & FY11-13 Performance Reports	1	SL-3	ADMIN
	Facilitate AmeriCorps*VISTA application and pursue project status	Annual submission of VISTA grant application / VISTA member placements	1	EO-1	ADMIN	
Benchmark Performance Measures	% of total funding allocated to support partnerships:		0	-	-	
D: Promote the preservation and revitalization of the community's older neighborhoods.	Preserve housing stock in older, lower-income neighborhoods.	See objectives / activities / Goals outlined in Strategy A		0	SL-1	-
	Infill development of vacant lots and redevelopment of substandard properties.	Affordable Housing Development Program	See goals for Strategy B	0	SL-3	CDBG/HOME
		Redevelopment 27th Street Corridor	Redevelopment Projects	1	SL-3	ADMIN
	Support activities that provide amenities, neighborhood stabilization and maintain infrastructure needs.	Tree Program	Individuals	10	SL-3	CDBG
		Neighborhood improvements through the Capital Improvement Plan	CIP Years Implemented	1	SL-3	-
		Special Assessment Grants	Housing Units	4	SL-2	CDBG
Benchmark Performance Measures	% of total funding allocated to preserving older neighborhoods:		-	-	-	

E: Provide assistance to agencies serving lower income and special needs populations, particularly the homeless, the elderly and those with disabilities.	Provide CDBG Public Service funding and HOME Tenant-Based Rental Assistance (TBRA) for deposits to non-profit organizations and provide assistance for supportive services, including job creation.	CDBG Public Service and HOME TBRA funding allocations for basic needs assistance and supportive services	Years Funding Committed	1	EO-1	CDBG/HOME
			Organizations	4	EO-3	CDBG/HOME
	Benchmark Performance Measures	% of total funding to support basic needs of special and lower-income populations:		-		-
Overall Benchmark Performance Measures	Total Budget Allocated		-		-	
	Leveraging Ratio		-		-	
	CDBG Timeliness Compliance		< 1.5		-	
	# active CHDOs		-		-	
	Number of faith-based organizations funded		-		-	
	Cumulative \$ of HOME funding used for homebuyer activities as of June 30 of each year		-		-	
	% of previous year's HOME funding committed (for FY10-11, measure FY09-10), as of June 30		-		-	
	% of HOME CHDO funding reserved, two years ago (for FY10-11, measure FY08-09), as of June 30		-		-	
	% of completed HOME rental disbursements to all rental commitments		> 72.37%		-	
	% of completed CHDO disbursements to all CHDO reservations		> 49.28%		-	
	% of renters below 50% of the area median income		> 70%		-	
	<i>Note: 90% of rental and TBRA units must assist households less than 60% of the area median income</i>				-	
	% of occupied HOME rental units to all rental units		> 90.81%		-	
Allocation years not distributed for HOME		< 3.07%		-		

CONSOLIDATED PLAN OBJECTIVES BY OBJECTIVE / OUTCOME: *Table 1C*

<i>Objective</i>	<i>Activity</i>	<i>Measurement Type</i>	<i>FY2010-2011 Goals</i>	<i>HUD Objectives / Outcomes</i>	<i>Admin</i>
DECENT HOUSING & AVAILABILITY / ACCESSIBILITY					
Provide financing and assistance through partnerships to facilitate needed repairs for special needs populations.	Wheelchair and accessibility ramps	Ramps - Housing Units	6	DH-1	-
DECENT HOUSING & AFFORDABILITY					
Provide financing and assistance through partnerships to facilitate needed repairs for special needs populations.	Rehabilitation for special needs populations	Housing Units	3	DH-2	-
Encourage the development of new affordable single-family, multi-family and special needs housing in the community through private developers and non-profit organizations.	Support the efforts of the Housing Authority of Billings	Five-Year Plan Implemented	1	DH-2	Admin
Provide affordable financing and support to promote homeownership opportunities.	First Time Homebuyers - MBOH Set-Aside Use	Households	7	DH-2	-
Support partnerships and regular meetings to facilitate community participation and collaboration.	Affordable Housing Task Force	Monthly Meetings	10	DH-2	Admin
SUITABLE LIVING ENVIRONMENT & AVAILABILITY / ACCESSIBILITY					
Support partnerships and regular meetings to facilitate community participation and collaboration.	Adjacent Neighborhood Committee	Quarterly Meetings	4	SL-1	Admin
Support partnerships and regular meetings to facilitate community participation and collaboration.	Analysis of Impediments to Fair Housing Choice completed in December 2013 to implement activities for 2014-2019	Analysis / Plan completed	1	SL-1	Admin
Support task force newsletters and further capacity-building for self-sustainability.	Task Force newsletter support	Newsletters	10,000	SL-1	Admin
Encourage activities that promote fair housing and increase awareness of the rights of protected classes.	Continue to support the Community Housing Resource Board in applying for FHIP, facilitate application if necessary	Annual submission of FHIP grant representing residents of Billings	1	SL-1	Admin
Encourage collaboration to better address needs and to respond to opportunities for special needs populations.	Assist in the implementation of Welcome Home Billings, the City's ten-year plan to impact homelessness.	Completed FY09-11 & FY11-13 Action Plans	1	SL-1	Admin
Preserve housing stock in older, lower-income neighborhoods.	See objectives / activities / Goals outlined in Strategy A	See objectives / activities / Goals outlined in Strategy A		SL-1	-
SUITABLE LIVING ENVIRONMENT & AFFORDABILITY					
Provide direct, affordable financing and assistance to low-income homeowners for the completion of needed repairs.	Housing Rehabilitation Loan Program	Housing Units	10	SL-2	-
	Minor Home Repair Program	Housing Units	20	SL-2	-
	Painting Program	Housing Units	2	SL-2	-
Encourage the development of new affordable single-family, multi-family and special needs housing in the community through private developers and non-profit organizations.	Affordable Housing Development Program	Housing Units	20	SL-2	-

Encourage the development of new affordable single-family, multi-family and special needs housing in the community through private developers and non-profit organizations.	Complete Kings Green single-family development	Housing Units	3	SL-2	-
Encourage the development of new affordable single-family, multi-family and special needs housing in the community through private developers and non-profit organizations.	Meet CHDO commitment / expenditure deadlines	Years in compliance	1	SL-2	-
Provide affordable financing and support to promote homeownership opportunities.	First Time Homebuyer Program	Households	35	SL-2	-
Support activities that provide amenities, neighborhood stabilization and maintain infrastructure needs.	Special Assessment Grants	Housing Units	4	SL-2	-
SUITABLE LIVING ENVIRONMENT & SUSTAINABILITY					
Encourage collaboration to better address needs and to respond to opportunities for special needs populations.	Assist in the implementation of Welcome Home Billings, the City's ten-year plan to impact homelessness.	Completed FY09-11 & FY11-13 Performance Reports	1	SL-3	Admin
Infill development of vacant lots and redevelopment of substandard properties.	Affordable Housing Development Program	See goals for Strategy B	-	SL-3	-
	Redevelopment 27th Street Corridor	Redevelopment Projects	1	SL-3	-
Support activities that provide amenities, neighborhood stabilization and maintain infrastructure needs.	Tree Program	Individuals	10	SL-3	-
	Neighborhood improvements through the Capital Improvement Plan	CIP Years Implemented	1	SL-3	-
ECONOMIC OPPORTUNITY & AVAILABILITY / ACCESSIBILITY					
Provide affordable financing and support to promote homeownership opportunities.	Billings Partners American Indian Homeownership	Homeownership Rate (1992 benchmark: 22%)	40%	EO-1	Admin
Support partnerships and regular meetings to facilitate community participation and collaboration.	Billings Partners American Indian Homeownership	Monthly Meetings	10	EO-1	Admin
Encourage collaboration to better address needs and to respond to opportunities for special needs populations.	Facilitate AmeriCorps*VISTA application and pursue project status	Annual submission of VISTA grant application / VISTA member placements	1	EO-1	Admin
Provide CDBG Public Service funding and HOME Tenant-Based Rental Assistance (TBRA) for deposits to non-profit organizations.	CDBG Public Service and HOME TBRA funding allocations for basic needs assistance	Years Funding Committed	1	EO-1	-
ECONOMIC OPPORTUNITY & SUSTAINABILITY					
Provide affordable financing and support to promote homeownership opportunities.	Homebuyer Education	Households	200	EO-3	-
Encourage collaboration to better address needs and to respond to opportunities for special needs populations.	Mayor's Committee on Homelessness	Monthly Meetings	10	EO-3	Admin
Provide CDBG Public Service funding and HOME Tenant-Based Rental Assistance (TBRA) for deposits to non-profit organizations.	CDBG Public Service and HOME TBRA funding allocations for basic needs assistance and supportive services	Organizations	4	EO-3	-

OBJECTIVE CATEGORIES

Staff review includes Consolidated Plan, Welcome Home Billings, and the Neighborhood Stabilization Program.

<input checked="" type="checkbox"/>	Decent Housing	<input checked="" type="checkbox"/>	Expanded Economic Opportunities	<input checked="" type="checkbox"/>	Expanded Economic Opportunities
<input checked="" type="checkbox"/>	Assisting homeless persons obtain affordable housing.	<input checked="" type="checkbox"/>	Improving the safety and livability of neighborhoods.	<input checked="" type="checkbox"/>	Job creation and retention.
<input checked="" type="checkbox"/>	Assisting persons at risk of becoming homeless.	<input checked="" type="checkbox"/>	Eliminating blighting influences and the deterioration of property and facilities.	<input checked="" type="checkbox"/>	Establishment, stabilization and expansion of small business (including micro-businesses).
<input checked="" type="checkbox"/>	Retaining the affordable housing stock.	<input checked="" type="checkbox"/>	Increasing the access to quality public and private facilities.	<input checked="" type="checkbox"/>	The provision of public services concerned with employment.
<input checked="" type="checkbox"/>	Increasing the availability of affordable permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability.	<input checked="" type="checkbox"/>	Reducing the isolation of income groups within areas through spatial de-concentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods.	<input checked="" type="checkbox"/>	The provision of jobs to low-income persons living in areas affected by those programs and activities under programs covered by the plan.
<input checked="" type="checkbox"/>	Increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence.	<input checked="" type="checkbox"/>	Restoring and preserving properties of special historic, architectural, or aesthetic value.	<input checked="" type="checkbox"/>	Availability of mortgage financing for low income persons at reasonable rates using non-discriminatory lending practices.
<input checked="" type="checkbox"/>	Providing affordable housing that is accessible to job opportunities.	<input checked="" type="checkbox"/>	Conserving energy resources and use of renewable energy sources.	<input checked="" type="checkbox"/>	Access to capital and credit for development activities that promote the long-term economic social viability of the community.