



CITY OF BILLINGS

Comprehensive Annual Performance Evaluation Report

FY2015-2016

*City Council
Excerpt*

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This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

Presented herein is the City of Billings FY2015-2016 Comprehensive Annual Performance and Evaluation Report (CAPER) for the City's federally funded Community Development Block Grant (CDBG) and HOME Investment Partnership Programs (HOME). Both CDBG and HOME funds were granted to the City of Billings through the United States Department of Housing and Urban Development (HUD).

The CAPER covers the period from July 1 to June 30 and reports on the City of Billings' progress in meeting the goals established in the five-year Consolidated Plan and the City's Annual Action Plan. All reports can be found online at www.ci.billings.mt.us/CDreports. The City of Billings - Community Development Division manages several programs to meet the goals of the Consolidated Plan and the Annual Action Plan.

Affordable Housing Preservation

- **Housing Rehabilitation:** A total of six low income households were assisted with financing to carry out major home repairs. This program is being revamped to increase use and efficacy following a slower construction season and difficulty in gaining contractor compliance with registration through the System for Award Management (SAM).
- **Manufactured Home Repair:** One household was assisted with repairs to their manufactured home. This program is being evaluated for need and efficacy and may be discontinued in the future.
- **Foreclosure Acquisition / Rehabilitation:** Two properties have been purchased and rehabilitated for sale to low income households. One property is set for sale in August 2016 and the second is expected to close in September 2016.

New Affordable Housing Opportunity

- **Affordable Housing Development:** By June 30, 2016, the City of Billings had executed a written agreement with NeighborWorks of Montana to build two new homeownership housing units. Construction has begun on the project and it should be completed and sold to income-eligible households by next fiscal year. NeighborWorks of Montana is a certified Community Housing Development Organization (CHDO) with the City of Billings. To date, the City has reserved 17 percent of total HOME allocations to CHDO activities, which exceeds the 15 percent minimum.
- **First Time Home Buyer:** A total of 45 households were assisted with down payment and closing costs through the HOME and CDBG programs. Six additional households were assisted with a City Council non-federal contribution to Community Development housing programs, bringing the total number of households assisted to 51.

Poverty Impact

- **Billings Metro VISTA Project:** A total of 17 VISTA members provided services in Billings to impact poverty and homelessness. Overall, the project provided education, housing, and social services to 1,156 individuals.

The following table compares proposed and actual outcomes for the FY2015-2019 Consolidated Plan (*Expected / Actual Strategic Plan*) and the FY2015-2016 Annual Action Plan (*Expected / Actual Program Year*).

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee’s program year goals.

Table 1 - Accomplishments –Strategic Plan to Date and Program Year

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected Strategic Plan	Actual Strategic Plan	% Complete	Expected Program Year	Actual Program Year	% Complete
					FY2015-2019			FY2015-2016		
Affordable Housing Preservation	Affordable Housing	CDBG: \$1,797,516 HOME: \$0	Homeowner Housing Rehabilitated	Household Housing Unit	31	7	22.58%	6	7	116.67%
New Affordable Housing Opportunity	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	CDBG: \$0 HOME: \$1,298,722	Rental units constructed	Household Housing Unit	4	0	0%	0	0	-
			Homeowner Housing Added	Household Housing Unit	0	0	-	0	0	-
			Direct Financial Assistance to Homebuyers	Households Assisted	175	45	25.71%	35	45	128.57%
Poverty Impact	Poverty Impact	CDBG: \$339,329 HOME: \$0	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1,000	1,156	115.60%	200	1,156	578%
			Homeless Person Overnight Shelter	Persons Assisted	0	131	-	0	131	-

On HUD’s Integrated Disbursement and Information System (IDIS) screen, shows as Table 1 - Accomplishments - Program Year and Table 2 - Accomplishments - Strategic Plan to Date

Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

The City of Billings utilizes CDBG funds to address low income housing needs through home repair, home buyer, and affordable housing development programs. The City also supports a public service activity to assist nonprofit organizations in meeting the needs of those experiencing homelessness and / or poverty. The following priorities have been identified as specific objectives identified in the Consolidated Plan.

Affordable Housing Preservation: Preservation of the existing supply of affordable housing utilizing CDBG funds is an important factor influencing affordability for existing home owners and potential homebuyers. Nearly 10,000 households in Billings have one or more housing problems; just under 60% of the entire jurisdiction. The majority of homeowners are cost burdened; paying greater than 30% of household income for housing expenses.

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. 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 and 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: Using CDBG funds to create affordable housing opportunities improves access to, and quality of, affordable housing stock. Low income households need access to affordable housing and limited housing units are currently available, as indicated in the Consolidated Plan's Market Analysis. According to the Needs Assessment, the majority of homeowners and renters are cost burdened; paying greater than 30% of household income for housing expenses. The number of people in need is rising, including the homeless, the elderly, and the disabled.

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.

Poverty Impact: The number of people experiencing poverty and homelessness is rising in Billings. As noted in the Consolidated Plan's Needs Assessment, there are over 700 people experiencing homelessness in Billings at any one point in time; increased from 600 average homeless individuals (2005 to 2008). Public service organizations greatly benefit from the use of CDBG funds to support the Billings Metro VISTA Project. This provides the organizations support to better meet poverty / homeless needs in the community.

Housing Choice: While not a goal funded through CDBG or HOME funds, expanding housing choice is an important goal for the City of Billings - Community Development Division. Enhancing housing choice for existing and potential new residents fosters stable, socio-economically diverse neighborhoods citywide.

The City's Analysis of Impediments to Fair Housing Choice, cited in the Consolidated Plan's Needs Assessment, identified a dual housing market; one for whites and Asians and one for American Indians, Hispanics and African Americans. Differences between actual and expected racial / ethnic census tract composition are likely due to housing discrimination. The probability of a dual, discriminative market

exacerbates access to local housing, particularly for minorities and special populations. While CDBG funds have not been specifically designated for this priority, housing choice is a focus for all of the Community Development Division’s programs.

City staff maintain positive and close relationships with the staff at Montana Fair Housing; 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 and sponsorship 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 City of Billings, the Housing Authority of Billings, Rebuilding Together, District 7 Human Resources Development Council, Rural Dynamics, Beartooth Resource Conservation and Development, and Homeword agreed to join together to form the Home Center of Billings. The Home Center opened in July 2015 and it is located in downtown Billings, central to the City’s low income and minority neighborhoods.

The Home Center provides 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 potential homebuyers and renters seeking safe, affordable homes to access all of the services in a one-stop-shop.



CR-10 Racial and Ethnic Composition of Families Assisted

Describe the families assisted (including the racial and ethnic status of families assisted). 91.520(a)

Race / Ethnicity	CDBG	HOME
White	926	25
Black or African American	31	0
Asian	8	0
American Indian or American Native	217	1
Native Hawaiian or Other Pacific Islander	0	0
Total	1,182	26
Hispanic	59	1
Not Hispanic	1,123	25

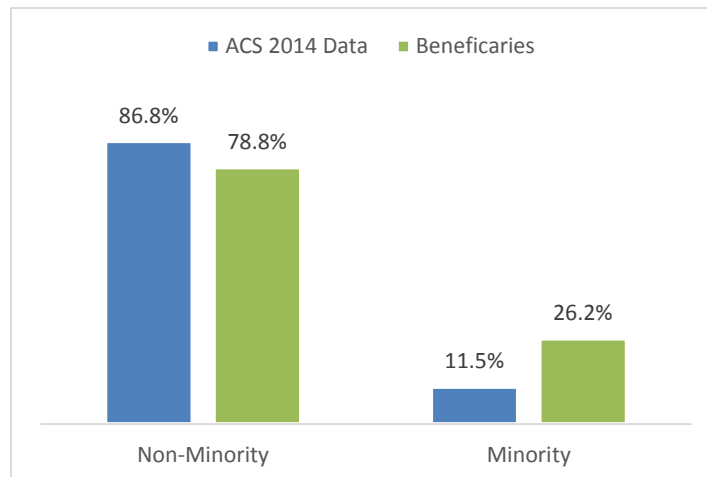
Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

The Community Development Division staff makes concerted efforts to market available programs to minorities, the disabled and female-headed households. The City assisted a total of 1,208 beneficiaries with CDBG and HOME this fiscal year. An additional six households were assisted with non-federal funds in the First Time Home Buyer program, bringing the total served through the Community Development Division to 1,214.

A total of 257 beneficiaries self-reported they were a racial minority; 21 percent of the total number of people served through the Community Development Division. Sixty-one people reported that they were Hispanic; just over five percent of the total number of beneficiaries. Out of the total 1,214 beneficiaries assisted, 350 were female-headed households (29 percent), 85 self-reported disabilities (seven percent) and 43 were elderly (nearly four percent).

The 2014 American Community Survey five-year estimates indicate an 11.5% minority rate in Billings, including Hispanics. Over 26 percent of Community Development beneficiaries were minorities this past fiscal year. Please note, the chart above was generated by HUD’s IDIS system and it does not take into account multi-racial beneficiaries.



Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	HUD	816,056	864,520
HOME	HUD	413,119	452,124

Table 3 - Resources Made Available

Narrative

Resources Made Available

- **CDBG:** New CDBG entitlement funds totaled \$562,741 and program income received during the fiscal year totaled \$253,315. The City of Billings had a total of \$816,056 in CDBG funds available this fiscal year.
- **HOME:** New HOME entitlement funds totaled \$263,688 and recaptured funding and other HOME revenues totaled \$149,431. The City of Billings had a total of \$413,119 available in HOME funds this fiscal year.

Amount Expended During Program Year

- **CDBG:** Expenditures in entitlement and program income funds totaled \$864,520 this fiscal year. This included funding allocated in previous fiscal years expended this year.
- **HOME:** Expenditures in entitlement and program income funds totaled \$452,124 this fiscal year. This included funding allocated in previous fiscal years expended this year.

As required by HUD, City staff ensures the use of currently available program income prior to drawing down entitlement funds in both federal programs.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Citywide	100	100	City of Billings Limits

Table 4 – Identify the geographic distribution and location of investments

Narrative

As per findings and recommendations from the City's Analysis of Impediments to Fair Housing Choice, the investment of federal funds is not predominantly geographically distributed; funds are invested based on the needs of low income households and citizens. The City of Billings utilizes federal funding on a citywide basis, targeting qualified low income households for investment and programs.

Priorities for funding are based on both the most recent Needs Assessment in this Consolidated Plan and the Analysis of Impediments to Fair Housing Choice, completed in 2013. 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.
- 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 preliminary dollar amount dedicated to each program is included in the Annual 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. The City's performance in serving predominantly low income households is clear via Integrated Distribution Information System reporting; nearly 100%. 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.**

Leveraging: Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

The City of Billings is a partner in many activities that address community needs particularly those carried out by social service agencies as a public service activity under the CDBG Program. The City's contributions to these projects often represent a small part of the overall resources that are committed to address a particular need. There also are other local, State, and Federal resources available to address those needs such as FEMA funding for emergency food and shelter, funding received through the Housing Authority of Billings, rental assistance provided by private non-profit assisted housing providers and low income tax credits assistance provided through the Montana Board of Housing.

The City continually makes strides in obtaining other public and private resources to address identified needs. The total leveraging for CDBG and HOME this fiscal year is **\$8,064,143 which calculates to a leveraging ratio just under 1:10** (9.76). Included in this figure are the following notable leveraging resources:

- **Montana Board of Housing (MBOH) and Lender Financing:** \$7,197,078 in loans secured in conjunction with its First Time Home Buyer Program.
- **City Council:** The City Council contributed \$195,321 this fiscal year for use in home buyer and repair programs.
- **AmeriCorps VISTA:** This fiscal year, VISTA members generated \$671,744 in cash and in-kind contributions and the City garnered an additional \$501,160 in funding to support the program.

Since 2005, City staff has generated an additional **\$4,950,464** in cash and grant awards (outside of CDBG and HOME) to further goals developed in the Consolidated Plan. This includes significant funds to further fair housing through the Fair Housing Initiative Programs.

The HOME program requires 25 percent 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.

City staff is not aware of any publically owned land that was utilized to address needs identified in the Consolidated Plan this fiscal year. However, the Billings City Council dedicated an additional \$195,321 in non-federal funding to further housing programs. Six additional households were assisted through down payment assistance to purchase their first home.

The entire drafted report can be found online at www.ci.billings.mt.us/caper.