



# CITY OF BILLINGS

## Comprehensive Annual Performance Evaluation Report

FY2016-2017

*City Council  
Excerpt*

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**Progress the jurisdiction has made in carrying out its strategic plan and its action plan.**

91.520(a)

An overview including major initiatives/highlights that were proposed and executed throughout the program year.

**Introduction**

Presented herein is the City of Billings FY2016-2017 Comprehensive Annual Performance and Evaluation Report (CAPER) for the federally funded Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME). Both CDBG and HOME funds were granted to the City of Billings as an entitlement community through the United States Department of Housing and Urban Development (HUD).

The CAPER covers a program year beginning on July 1 to June 30 and it illustrates the City's progress in meeting goals established in the five-year Consolidated Plan and the Annual Action Plan. The City of Billings - Community Development Division manages several programs to meet the goals of the Consolidated Plan and the Annual Action Plan. Funding for each program is allocated on a shovel- and close-ready basis in order to ensure efficient use of funds.

**Public Comment**

The public comment period for this CAPER exceeded the 15 day minimum; it began on September 8 and ended on September 25, 2017. The Billings City Council also held a public hearing to take comments on accomplishments represented in the CAPER. Notice of the public comment period and hearing was published in the Yellowstone County News for three consecutive weeks.

**Progress Assessment**

The City of Billings met some of the goals established for both the Consolidated and Annual Action Plan. Each of the City's highest priorities and activities are listed below, along with accomplishments for each program.

**Affordable Housing Preservation**

- **Housing Rehabilitation:** One low income household was 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).
- **Foreclosure Acquisition / Rehabilitation:** Two properties have been purchased, rehabilitated and sold to low income households.

**New Affordable Housing Opportunity**

- **Affordable Housing Development:** By June 30, 2016, the City of Billings executed a written agreement with NeighborWorks Montana, a certified Community Housing Development Organization (CHDO), to build two new homeownership housing units. Construction has been completed and the units were sold to income-eligible households this fiscal year. The City has met the annual goal to allocate at least 15 percent of new HOME funds to CHDO activities.
- **First Time Home Buyer:** A total of 57 households were assisted with down payment and closing costs through HOME and CDBG programs. Three additional households were assisted with a City Council non-federal contribution to Community Development housing programs, bringing the

total number of households assisted to 60.

**Poverty Impact**

- **Billings Metro VISTA Project:** Several AmeriCorps Volunteers in Service to America (VISTA) members were dedicated to impacting poverty and homelessness in Billings. Overall, the project provided education, housing, and social services to 234 individuals in the Billings area.

The following table compares proposed and actual outcomes for the FY2015-2019 Consolidated Plan (*Expected / Actual Strategic Plan*) and the FY2016-2017 Annual Action Plan (*Expected / Actual Program Year*).

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**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			FY2016-2017		
Affordable Housing Preservation	Affordable Housing	CDBG: \$1,797,516 HOME: \$0	Homeowner Housing Rehabilitated	Household Housing Unit	31	11	35.48%	6	4	66.67%
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	0	0	0%	0	0	-
			Homeowner Housing Added	Household Housing Unit	4	2	50%	2	2	100%
			Direct Financial Assistance to Homebuyers	Households Assisted	175	105	60%	15	60	400%
Poverty Impact	Poverty Impact	CDBG: \$339,329 HOME: \$0	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	2,000	1,390	69.5%	200	234	117%
			Homeless Person Overnight Shelter	Persons Assisted	0	15	-	0	0	-

*Staff Note: HUD's Integrated Disbursement and Information System (IDIS) screen shows as Table 1 - Accomplishments - Program Year and Table 2 - Accomplishments - Strategic Plan to Date*

*\*Monetary figures in this chart represent the estimated investment of CDBG and HOME funds noted in the Consolidated Plan for a five-year period.*

**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.**

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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 and are included in the Consolidated Plan.

**Affordable Housing Preservation:** The use of CDBG funds to preserve existing housing positively influences housing accessibility and affordability for current low income home owners and potential homebuyers. Nearly 10,000 households in Billings have one or more housing problems. The majority of homeowners are cost burdened; paying greater than 30% of household income for housing expenses. Additional funding to maintain or improve their homes is, often times, out of reach.

**New Affordable Housing Opportunity:** Using CDBG funds to create low income housing opportunities improves access to, and the quality of, the affordable housing stock. Low income households need access to affordable housing and there are a limited number of housing units available, as indicated in the Consolidated Plan's Market Analysis. In addition, the Consolidated Plan's Needs Assessment indicates 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.

**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. From 2005 through 2008, the average number of people experiencing homelessness was significantly smaller at 600 people.

Nonprofit social service organizations greatly benefit from the use of CDBG funds to support the Billings Metro VISTA Project. VISTA members work to alleviate poverty through the expansion or improvement of services such as housing, healthcare, education, employment, and financial literacy to alleviate poverty conditions for very low income citizens.

**Housing Choice:** While not funded through CDBG or HOME funds this fiscal year, 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.

*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	Non-Federal	Totals
White	186	29	2	217
Black or African American	15	1	0	83
Asian	0	0	0	
American Indian or American Native	46	0	0	
Native Hawaiian or Other Pacific Islander	0	0	0	
American Indian and Black	0	1	0	
Multi-Racial	19	0	1	
<b>Total =</b>	<b>266</b>	<b>31</b>	<b>3</b>	<b>300</b>
Hispanic	13	1	1	15
Not Hispanic	253	30	2	285

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

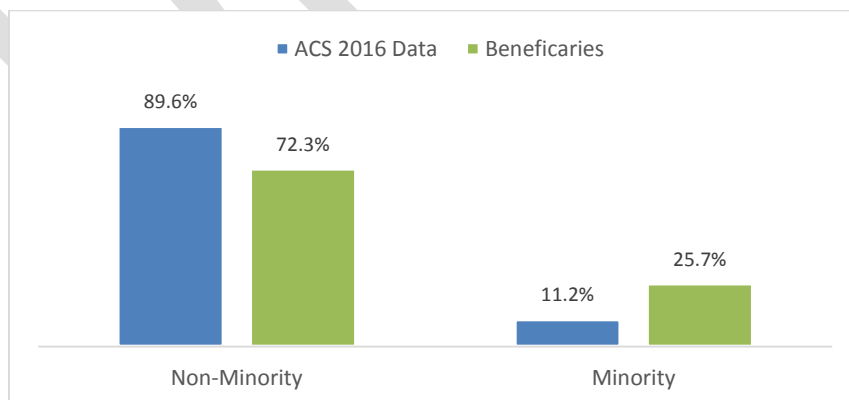
**Narrative**

The City assisted a total of 297 beneficiaries with CDBG and HOME this fiscal year. Three additional households were assisted with non-federal funds in the First Time Home Buyer program, bringing the total beneficiaries served to 300.

Eighty-three out of 300 beneficiaries self-reported they were a racial minority; just under 28 percent of the total number of people served through the Community Development Division. Fifteen people reported that they were Hispanic; five percent of the total number of beneficiaries.

		CDBG	HOME	Totals
Single Head of Household	Female	8	17	25
	Male	0	0	0
Disabled		3	4	7
Elderly		9	1	10

Out of the total 300 beneficiaries assisted, 25 were single head of households (over eight percent), seven self-reported disabilities (over two percent) and ten were elderly (just over three percent). *Please note, the above charts were adapted from HUD’s IDIS system as IDIS does not include a category for multi-racial beneficiaries or totals.*

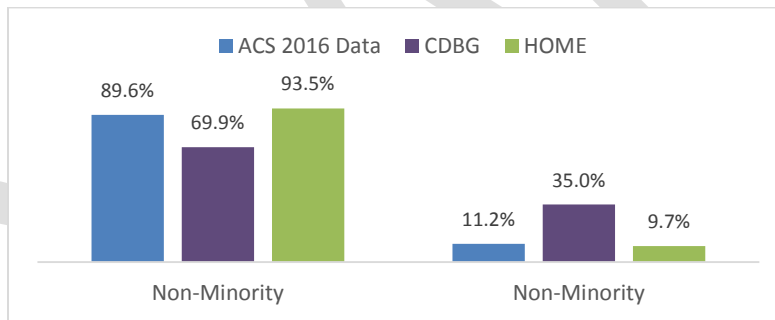


The 2010 Census and 2016 American Community Survey (ACS) estimates indicate an 11.2 overall percent minority rate in Billings, including Hispanics. Approximately twenty-six percent of the City’s beneficiaries were racial and ethnic minorities this past fiscal year when calculated using category percentages collectively.

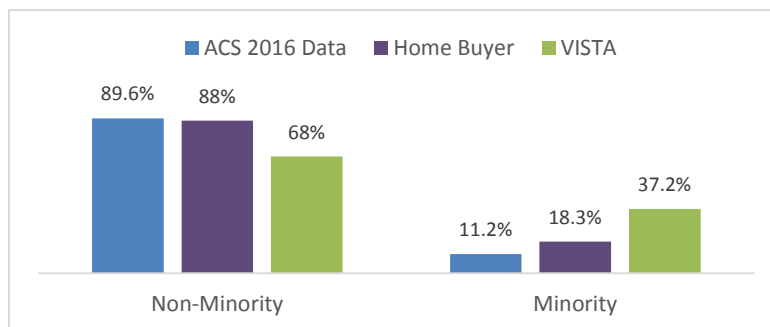
Beneficiaries by Program and Funding Source								
Race / Ethnicity	Home Buyer			Housing Development	Home Repair	Foreclosure	VISTA	Totals
	CDBG	HOME	City*	HOME	CDBG	CDBG	CDBG	
White	24	27	2	2	2	2	158	217
Black or African American	2	1					13	16
Asian								
American Indian or American Native							46	46
Native Hawaiian or Other Pacific Islander								
American Indian and Black		1						1
Multi-Racial	2		1				17	20
Subtotals	28	29	3	2	2	2	234	300
<b>Totals</b>		<b>60</b>		<b>2</b>	<b>2</b>	<b>2</b>	<b>234</b>	
Hispanic	2	1	1				11	15
Not Hispanic	26	28	2	2	2	2	223	285
Special Populations	Home Buyer			Housing Development	Home Repair	Foreclosure	VISTA	Totals
	CDBG	HOME	City*	HOME	CDBG	CDBG	CDBG	
Single Head of Household	Female	6	15		2		2	25
	Male							
Disabled Households		3		1			3	7
Elderly		1			1		8	10

\*Non-federal funds dedicated by the City of Billings

**Demographics by Funding Source:** The 2016 ACS data indicates an approximate 11 percent minority rate. Approximately 35 and ten percent of CDBG and HOME beneficiaries were minorities this fiscal year, respectively. Ninety-three out of 266 CDBG beneficiaries and three out of 31 HOME beneficiaries indicated minority status. Using the ACS minority rate of 11.2 percent, the HOME program should have served at least four minority households rather than three.



**Demographics by Program:** Although the First Time Home Buyer program only served 11 racial / ethnic minority households, the total percentage of minority households exceeded the ACS overall percentage (11.2 percent compared to 18.3 percent). Thirty-seven percent of the Billings Metro VISTA Project beneficiaries were racial / ethnic minorities (87 minority beneficiaries out of 234 total beneficiaries). Home repair, foreclosure, and affordable housing development programs are not illustrated in the chart below due to low beneficiary data.



## Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	HUD	1,036,482	882,477
HOME	HUD	569,787	699,954

Table 3 - Resources Made Available

## Narrative

## Resources Made Available

- **CDBG:** New CDBG entitlement funds totaled \$581,942 and program income received during the fiscal year totaled \$454,540. The City of Billings had a total of \$1,036,482 in CDBG funds available this fiscal year.
- **HOME:** New HOME entitlement funds totaled \$295,785 and recaptured funding and other HOME revenues totaled \$274,002. The City of Billings had a total of \$569,787 available in HOME funds this fiscal year.

## Amount Expended During Program Year

- **CDBG:** Expenditures in entitlement and program income funds totaled \$882,477 this fiscal year. This included funding allocated in previous fiscal years that was expended this year.
- **HOME:** Expenditures in entitlement and program income funds totaled \$699,954 this fiscal year. This included funding allocated in previous fiscal years that was expended this year; this includes \$175,000 in last year's HOME allocation to carry out the NeighborWorks Riverfront Pointe affordable housing project.

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 in Billings. 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.
- Strategies encourage the distribution of resources citywide to support affirmatively furthering fair housing, equal opportunity, and the avoidance of segregation in Billings.
- The description for geographic distribution 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 (IDIS) 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 has dedicated zero percent of funding to target areas in favor of supporting a citywide approach to further fair housing, equal opportunity and anti-segregation efforts.

**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.**

**Publically-Owned Land:**

The requirements set forth in CFR 24 91.220 and 91.520 are as follows:

- Where the jurisdiction deems it appropriate, the jurisdiction *may* indicate publicly owned land or property located within the jurisdiction that *may be used* to address the needs identified in the plan.
- The performance report must include a *description of the resources made available*, the investment of available resources, the geographic distribution and location of investments, the families and persons assisted (including the racial and ethnic status of persons assisted), actions taken to affirmatively further fair housing, and other actions indicated in the strategic plan and the action plan.

The City of Billings does not have plans to use publicly owned land to address needs identified in the Consolidated Plan. However, the Billings City Council supported the Community Development Division's housing programs by dedicating \$250,000 in non-federal funds in 2013. The City Council recently dedicated an additional \$195,321 in non-federal funding to further the City's housing programs. The City's generous and dedicated financial support should be recognized, even if the City does not use publicly owned land to support the Consolidated Plan.

**Overall Leveraging:** 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 \$9,392,936 which calculates to a leveraging ratio of 1:11. Included in this figure are the following notable leveraging resources:

- **Montana Board of Housing (MBOH) and Lender Financing:** \$8,571,082 in loans secured in conjunction with its First Time Home Buyer and Foreclosure programs. Several lenders also offer below-market, fixed interest rates for low income homebuyers.
- **NeighborWorks Montana:** This nonprofit organization dedicated an additional \$301,696 to the Riverfront Pointe twin-home affordable housing project.

- **AmeriCorps VISTA:** This fiscal year, VISTA members generated \$31,512 in cash and in-kind contributions and the City garnered an additional \$488,646 to support the program.

Since 2005, City staff has generated an additional \$6,417,153 in cash and grant awards (outside of CDBG and HOME) to further goals developed in the City's Consolidated Plans. This includes significant funds to further fair housing education through the Fair Housing Initiative Programs.

**HOME Leveraging:** 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 Home Buyer loans issued through private lenders and the MBOH and matching funds provided for other affordable housing projects undertaken with HOME funds, such as private contributions.

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