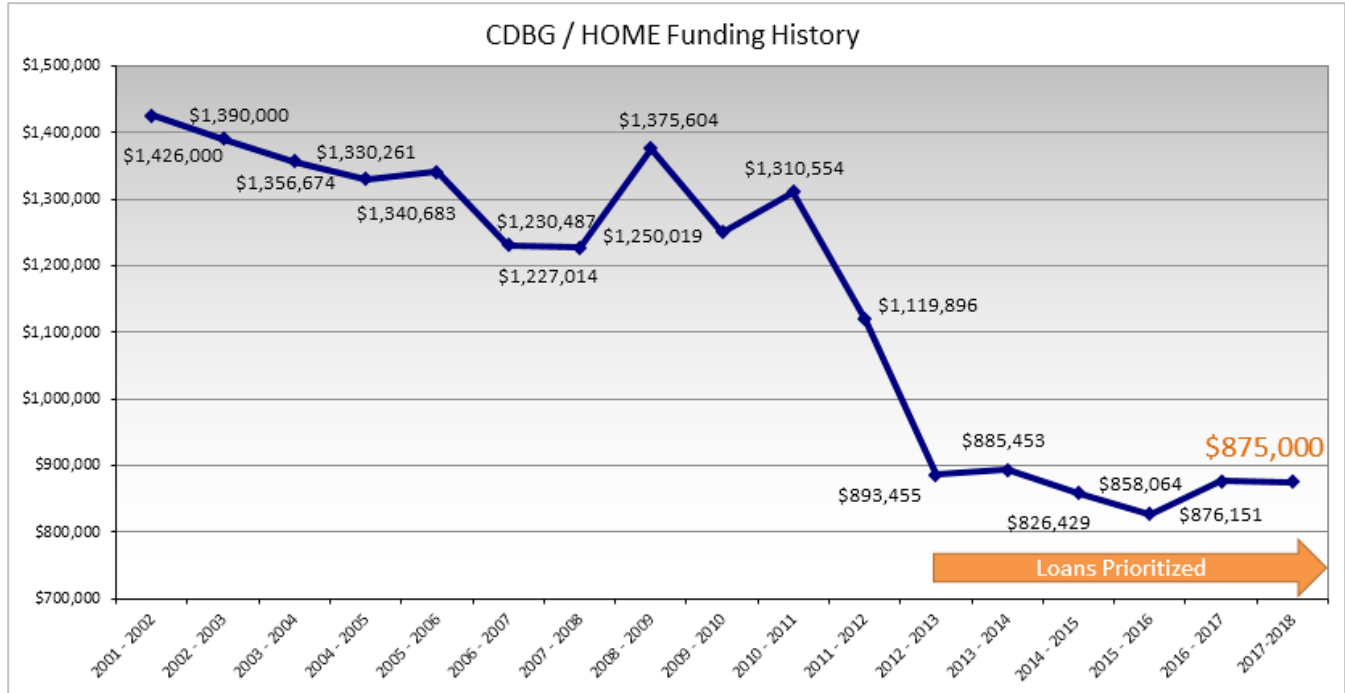




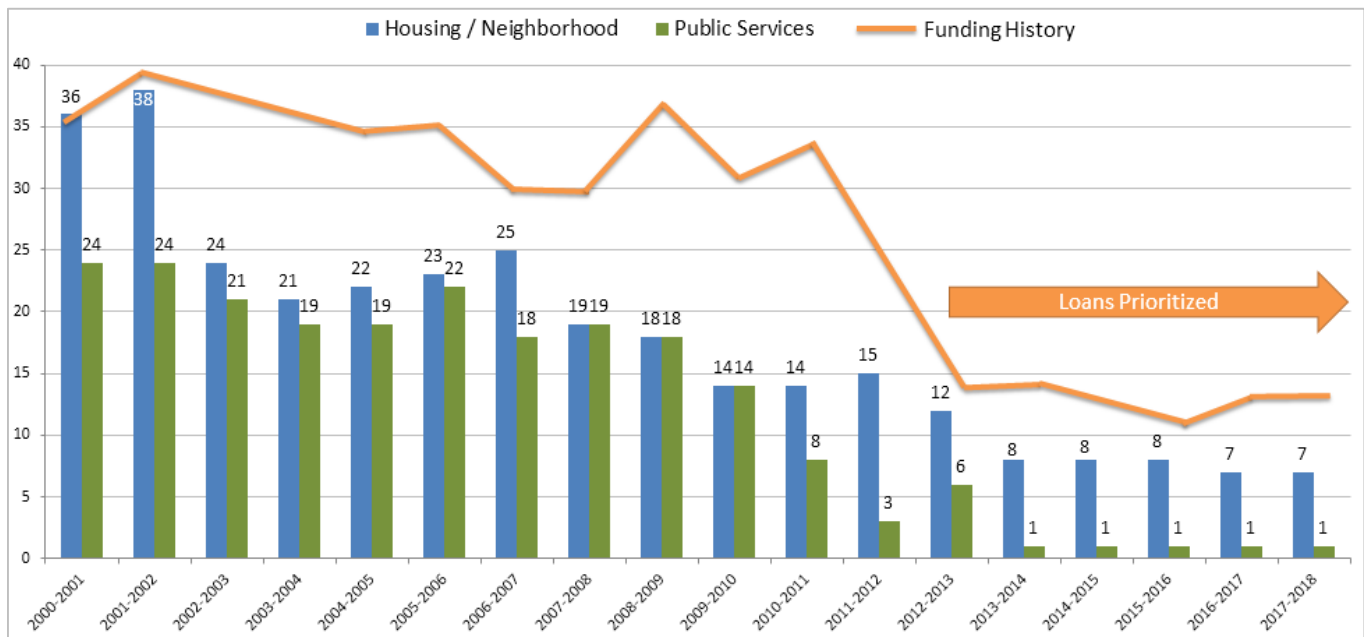
ALLOCATION AND FUNDING HISTORY

Funding Levels: HUD funding levels have declined significantly in recent years and staff does not foresee these programs increasing in the future. Federal priorities are favoring competitive grant programs rather than entitlements like the Community Development Block Grant (CDBG) and HOME Investment Partnerships programs. The Community Development Board and City Council began favoring loan programs rather than grants beginning in 2012-2013; the year funding levels significantly declined.



Grant to Loan Program Transition: When funding levels dropped to critical levels in 2012, the Community Development Board and City Council both supported prioritizing loan programs from 2012 forward. The following chart illustrates the number of housing / neighborhood and public service applications the Community Development Board considered. The chart also compares funding history to the number of applications.

Number of Applications Considered & Funding History



CDBG Public Service Grant Restrictions: In order to be eligible for CDBG funding, Public Service activities are required to be a *new or expanded service (quantifiable increase in level of a service over the past 12 months)*, as the intent of the fund is to support capacity-building. Many of the organizations applied for City funds year after year which would not be considered new or expanded services, if audited today.

Grants Awarded: Staff has records from 1994 to 2012 that can easily be reviewed for data purposes, which represents over \$2.7 million in grants awarded to over 40 non-profit organizations in Billings. Figures below do not represent additional funding for housing projects. For example, Interfaith Hospitality Network was provided with \$498,000 for housing to accommodate homeless families and the YWCA was awarded \$182,400 for the Gateway Shelter. Additional grant funding has been provided through fair housing education grants through the Fair Housing Initiatives Program (FHIP) for several organizations.

| Non-Profit Organization | # Grants | Year Span | Total Grants |
|---|-------------------|------------------|---------------------|
| Big Brothers & Big Sisters | 5 | 1997-2007 | \$22,845 |
| Big Sky Senior Services | 24 | 1997-2010 | \$316,458 |
| Billings Health Planning Coalition | 4 | 1997-2005 | \$27,000 |
| Billings Promise | 1 | 1999 | \$6,157 |
| Boys & Girls Club | 8 | 2000-2007 | \$31,467 |
| Big Sky Economic Development Authority | 13 | 1994-2008 | \$119,912 |
| CASA | 5 | 1997-2000 | \$26,764 |
| Community Day Care | 2 | 1998-1999 | \$11,000 |
| Community Housing Resource Board (<i>includes FHIP funding</i>) | 19 | 1992-2012 | \$329,628 |
| Consumer Credit Counseling | 1 | 1999 | \$1,761 |
| Early Childhood Study | 1 | 1996 | \$10,750 |
| Easter Seals | 2 | 2008-2010 | \$30,175 |
| Family Service, Inc. | 11 | 1992-2004 | \$167,986 |
| Family Tree Center | 1 | 2000 | \$3,250 |
| Billings Food Bank | 11 | 1996-2006 | \$111,962 |
| Forever Families | 2 | 2007-2009 | \$31,743 |
| Friendship House | 20 | 1996-2010 | \$172,173 |
| HRDC | 16 | 1997-2008 | \$135,118 |
| In-Care Network | 1 | 2000 | \$2,000 |
| Interfaith Hospitality Network (<i>does not include FHIP & housing funding</i>) | 2 | 2005-2010 | \$7,000 |
| Kids School Program | 3 | 2001-2003 | \$19,334 |
| Living Independently for Today & Tomorrow | 13 | 1996-2010 | \$145,269 |
| Parents Let's Unite for Kids | 5 | 2002-2006 | \$12,167 |
| Rebuilding Together | 8 | 2004-2011 | \$70,000 |
| RiverStone Health – Medication Assistance Program | 9 | 1999-2009 | \$84,022 |
| Sage Tower Community Network | 1 | 2000 | \$1,960 |
| Scottish Rite Clinic | 1 | 2008 | \$5,000 |
| Southgate Cop Shop | 7 | 1999-2008 | \$29,292 |
| Southside Senior Center | 1 | 2011 | \$30,000 |
| American Red Cross – Southside Smoke Detectors | 1 | 1999 | \$2,364 |
| St. Vincent de Paul | 1 | 2007 | \$8,250 |
| Task Force Enhancement | 5 | 1999-2008 | \$34,125 |
| Temporary Teens | 7 | 1999-2004 | \$23,195 |
| Tumbleweed | 13 | 1996-2011 | \$185,598 |
| Vision Seekers After School Program | 1 | 2001 | \$9,000 |
| Volunteers of America – Independence Hall | 1 | 2009 | \$30,000 |
| Billings Board of Cooperative Housing | 1 | 2000 | \$4,438 |
| Yellowstone AIDS Project (<i>does not include FHIP funding</i>) | 1 | 1999 | \$7,000 |
| Yellowstone County Council on Aging | 12 | 1996-2011 | \$55,649 |
| Young Families Early Head Start | 15 | 1996-2009 | \$249,674 |
| YWCA (<i>does not include housing funding</i>) | 13 | 1997-2009 | \$158,575 |
| Over 40 Organizations | 268 Grants | 17+ Years | \$2,735,061 |

In 2012, the Community Development Board asked City staff to expand research previously conducted to include total monetary value of grants issued versus loans / liens. From 1994 to 2012, the Community Development Division issued over \$6.6 million in grants, over \$9 million in loans and placed liens of over \$2 million on affordable housing projects.

| Grants | Amounts | Total |
|--------------------------------|----------------|--------------------|
| Subrecipients (317 activities) | \$3,267,340 | \$6,636,565 |
| Infrastructure | \$708,014 | |
| Parks | \$866,713 | |
| Special Assessment Grants | \$493,295 | |
| Home Repair Programs | \$1,130,494 | |
| Affordable Housing | \$170,709 | |

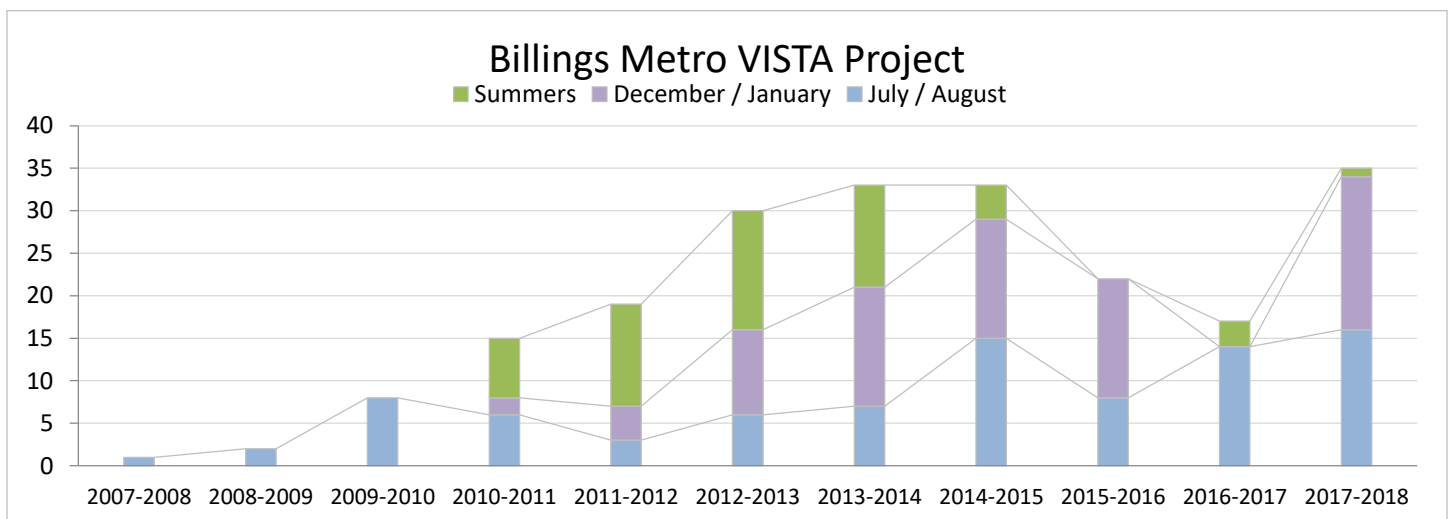
| Loans | Amounts | Total |
|----------------------|----------------|--------------------|
| First Time Homebuyer | \$5,562,790 | \$9,320,115 |
| Home Repair Programs | \$3,261,694 | |
| Affordable Housing | \$495,631 | |

| Liens | Amounts | Total |
|-----------------------|----------------|--------------------|
| Affordable Housing | \$1,854,677 | \$2,172,705 |
| Rental Rehabilitation | \$318,028 | |

In 2012, nine nonprofit agencies applied for grant funds and they were polled regarding the impact of not receiving funds. All of the organizations stated their agencies would remain open, but they may reduce the number of clients they could serve.

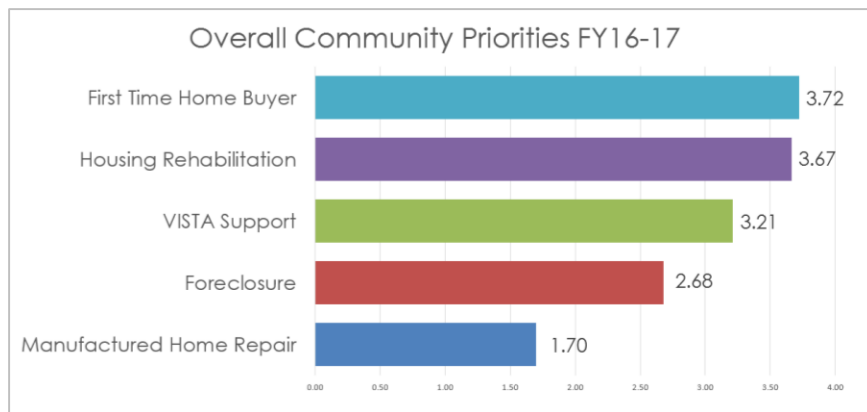
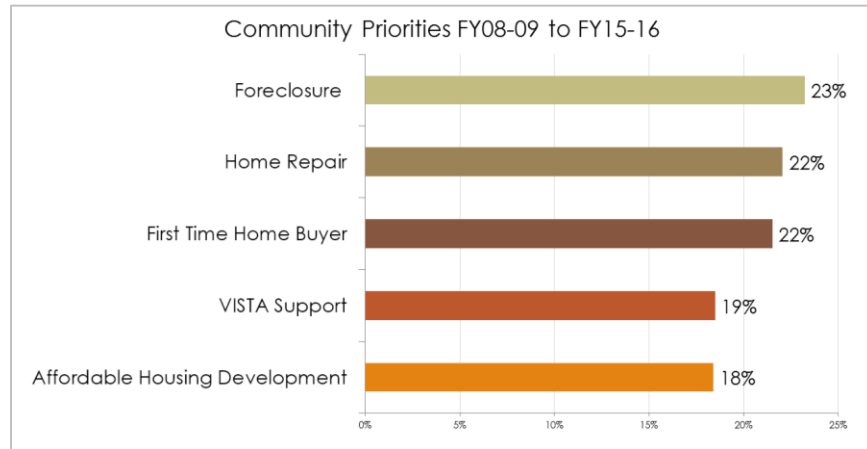
As a result, the Board made budget recommendations reflecting fiscal responsibility and sustainability, while prioritizing housing programs as per HUD requirements. The likelihood of continuing housing activities would substantially diminish if the City continued to fund grant programs not generating program income. The Board evaluated the long-term sustainability of operating loan programs rather than issuing grants. Four City programs were eliminated and substantial reductions were made in the three remaining home buyer / repair programs. Grants were not issued to nonprofit organizations for the first time since the 1970s.

AMERICORPS VISTA: As funding dwindled to support non-profit organizations, the AmeriCorps Volunteers in Service to America (VISTA) program received additional allocations in funding to expand the program. From 2012 to 2015, the City received overlapping grants and more members. The *Billings Metro VISTA Project* continues to be offered to support capacity-building activities as a resource to non-profit organizations working on poverty issues.



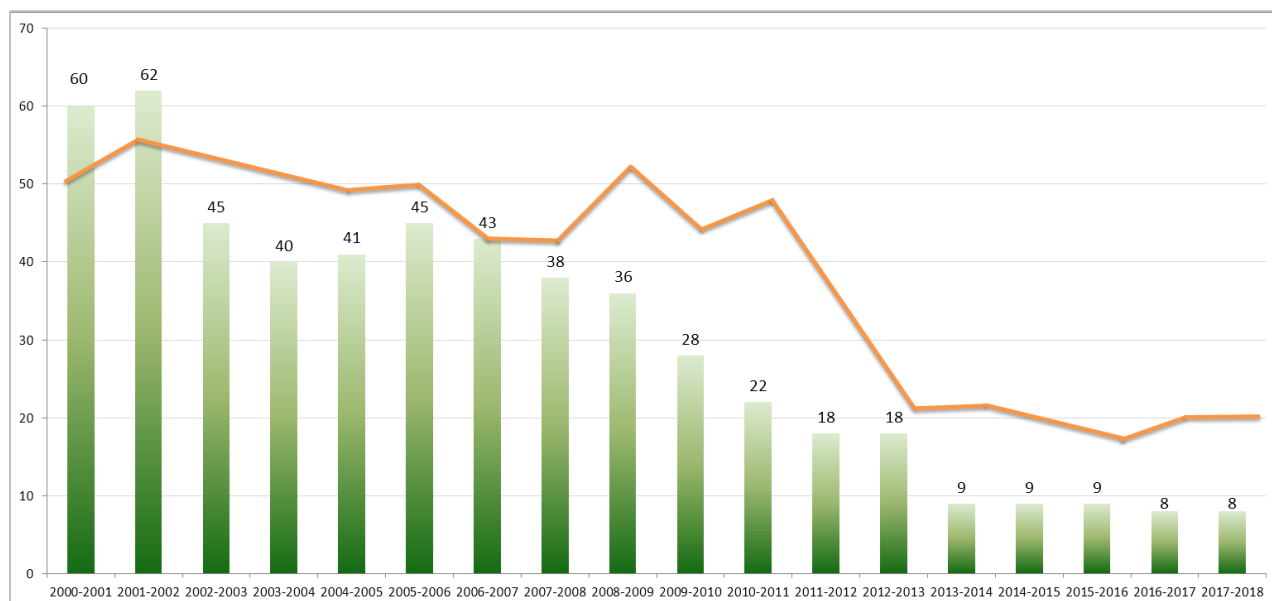
PUBLIC AND CITY COUNCIL PROGRAM PRIORITIES

Task Force Priorities: Task Force rankings from 2008-2016 favor home repair / buyer and affordable housing development programs. The following figures represent the rankings from all Task Forces combined. Calculation methodology changed in FY2016-2017 when the survey added an online, weighted calculation.



Priority-Based Budgeting: The Division's process for priority-based budgeting began in 2008 when the City Council asked the Community Development Board to examine recommendation processes. When surveyed, *the majority of Council members favored funding fewer organizations with larger amounts*. Half of the Council members asked the Board to shift funding focus to housing programs. Organizations were then given minimum and maximum application amounts shortly thereafter and the number of funding applications declined.

Total Number of Applications Considered & Funding History



Priority-Based Budgeting 2012: The City Council initiated an extensive 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. However, grants to non-profit organizations and the homeless initiative were ranked as having limited influence.

