



Annual Action Plan FY2021-2022

DRAFT

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Section I: Executive Summary

Introduction

Five-year Consolidated Plans and one-year action plans are required by the United States Department of Housing and Urban Development (HUD) for the City of Billings to receive funding through the Community Development Block Grant (CDBG) and HOME Investment Partnerships programs (HOME). The City's five-year Consolidated Plan for FY2020-2024 identifies activities to be carried out from July 1, 2020 through June 30, 2025 to address priority needs in the community and serves as a guiding document for the use of the City's CDBG and HOME funding.

This one-year Annual Action Plan addresses priority needs and outlines the use of the City's CDBG and HOME funding for activities to be carried out from July 1, 2021 to June 30, 2022. Plans should be submitted to HUD 45 days prior to the start of the City's year start date; July 1.

Focused on CDBG and HOME activities, the Consolidated and Annual Action Plans combine the planning and application requirements for the CDBG and HOME programs. Consolidation of the submission requirements for the CDBG and HOME programs allows program planning and citizen participation to take place in a comprehensive context covering both programs. The CDBG and HOME programs covered by the Consolidated Plan have three basic goals:

- **To provide decent housing**, including: maintaining the affordable housing stock in the community; increasing the availability of permanent housing that is affordable to low income households without discrimination; increasing support of housing which enables persons with special needs to live independently; and assisting homeless persons to obtain affordable housing.
- **To provide a suitable living environment**, which includes: improving the safety and livability of neighborhoods; increasing access to quality facilities and services; reducing the isolation of low income households within areas by de-concentrating housing opportunities and revitalizing deteriorating neighborhoods; restoring and preserving natural and physical features of special value for historic, architectural, or aesthetic reasons; and conserving energy resources.
- **To expand economic opportunities**, including: creating jobs accessible to low income individuals; providing access to credit for community development activities which promote long-term economic and social viability; and empowering low income persons living in public and federally assisted housing to achieve self-sufficiency.

All activities undertaken by the City utilizing CDBG and HOME funding must primarily benefit low income persons. The strategies described in the Consolidated and Annual Action Plans outline a specific course of action for the community's housing and community development activities. The plan builds on local assets to meet the needs of the community and sets forth goals, objectives, and performance measures to ensure progress in achieving the strategies described herein.

Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The most significant housing issues in Billings include housing cost burden, the availability of affordable housing, and equal opportunity in homeownership for minority households.

- **Housing Cost Burden:** Over 80% of low income households have been paying more than 30-50% of their income for housing costs. Minorities are disproportionately impacted by housing cost burden including Black / African American, Asian, Native American, and Hispanic families.
- **Affordable Housing Availability:** Housing affordability and availability are the most significant factors in limiting housing choice for both renters and homeowners. While there are an adequate number of housing units in Billings to accommodate the population, there is a housing deficit of over 4,700 units for households with incomes less than 30% of the AMI. There are also over 6,200 households on the Housing Authority of Billings waiting lists. Over 2,000 people are waiting for single-person housing.
- **Homeownership and Opportunity:** Racial and ethnic minorities have a low homeownership rate than the White population (67%) in Billings. The Black cohort has the lowest homeownership rate at 16% followed by Native Americans at 31%. Thirty-three percent of the Hispanic cohort are homeowners.

The City's goals are to: create, preserve, and expand affordable housing options; promote neighborhood revitalization through foreclosure program, and to impact poverty. The City will continue to offer programs on a citywide basis to ensure equal opportunity in all Billings neighborhoods:

- **First Time Home Buyer** - Promote financial security, home equity, housing self-sufficiency, housing and neighborhood quality and stability; increase minority homeownership, promote equal access and opportunity, and decrease segregation citywide; improve affordable housing opportunities for the elderly, persons with disabilities, and other special populations; and reduce predatory lending through education and standardized procedures.
- **Housing Rehabilitation** - Help current homeowners maintain their homes in safe, quality condition; and Increase value, quality, and durability of existing affordable housing stock.
- **Affordable Housing Development** - Expand access and availability of decent, affordable housing citywide; improve the physical quality of affordable housing; and foster suitable living environment and quality of life through the improvement of physical conditions including infrastructure for housing projects and housing development.
- **Foreclosure, Acquisition, Rehabilitation** - Mitigate the negative community impact of vacant, foreclosed properties; improve affordable housing quality, condition, safety, livability, and accessibility; stabilize property values in neighborhoods with existing vacant, foreclosed homes; and eliminate the potential for crime related to existing vacant, foreclosed properties.
- **Billings Metro VISTA Project** - Provide resources to nonprofit organizations to undertake poverty impact activities and to support the low income individuals and families they serve; and focus areas include: education, healthcare, food security, economic opportunity, housing, financial literacy, and others.

HUD's EnVision Center Demonstration Project - EnVision Centers focus on empowering people to leave HUD-assisted housing through self-sufficiency to become responsible homeowners and renters in the private housing market through promotion of: economic empowerment; educational advancement; health and wellness; and character and leadership. In May and June 2020, the City of Billings staff facilitated a connection between Housing Authority of Billings and HRDC District 7 to the regional EnVision Center representatives for HUD's Region 8. Planning for a Billings EnVision center is underway.

Evaluation of past performance

An evaluation of past performance that help the City choose goals or projects.

The City of Billings has been receiving CDBG funds since the 1970s and began receiving HOME funds in the mid-1990s. Performance on past goals and projects has been adequate, given declining resources. As a result, City staff have consolidated smaller programs focused on meeting priority needs, including affordable housing preservation and the provision of new housing opportunities. In 2012, stakeholders recommended prioritizing loan programs to maximize sustainability of community development programs in order to continue funding programs in the future. Loan repayment revenue has increased by an annual average of \$230,000 over the past seven years, which has enabled the City to serve dozens of additional low income households through home buyer and repair programs. The City's progress on goals and projects is listed below (as of mid-March 2021).

- **Create, preserve, and expand affordable housing options:**
 - **Affordable Housing Development:** The C & C Community is making progress with infrastructure improvements and the project should be completed next year. Sixty households will benefit from this project.
 - **Housing Rehabilitation:** There is a significant decline in homeowners seeking Housing Rehabilitation Loans and an increased need for affordable housing and infrastructure development. Additional resources may be directed towards longer-term investments to benefit low-income neighborhoods on the whole. Projects under construction were delayed and approved applicants seeking bids put their projects on hold to limit the number of non-household members entering their homes. In addition, new applications nearly stopped during the pandemic. Eligible contractors for the program are also limited and the costs for building materials, [specifically wood products](#), has greatly increased.
 - **First Time Home Buyer:** Thirty-eight households were assisted in purchasing their first homes so far this year; the City has met the set annual goal. However, the number of available affordable homes has significantly declined as families from across the nation relocate to Montana and this may impact sales in the future. The trend has been dubbed "The Zoom Boom". [In Yellowstone County, there were less than 300 homes](#) listed for sale in February 2021; one-month's supply. In November 2018, there were over 750 properties listed and in November 2019 there were 629.
- **Neighborhood revitalization:**
 - **Foreclosure Acquisition / Rehabilitation Program:** The North Park property rehabilitation has been completed and is currently being marketed to low-income households. The coronavirus pandemic resulted in limitations on foreclosure proceedings. Therefore, there are no foreclosed homes listed for sale in Billings. Building supply shortages and overall construction cost increases may also limit progress in the coming years.
- **Impact poverty:**
 - **Billings Metro VISTA Project:** Eighteen full-time AmeriCorps members have been working on poverty-impact programs. They focus on expanding services for the homeless and special needs populations: Healthcare; Food Security; Education; Employment; Financial Literacy; and Housing. Host Site Recruitment has declined, as many agencies expressed hesitation to take on a new initiatives with changing organizational needs and services in response to the coronavirus pandemic. VISTA Member recruitment spiked in early 2020, as many employment and other service opportunities were unavailable to candidates due to pandemic response; however, recruitment of qualified candidates has become more challenging due to a lower number of Host Sites as well as a growing job market. The City has also not been able to establish a viable Summer Associate AmeriCorps due to pandemic influences.

Summary of citizen participation process and consultation process

91.200(b)

Summary from citizen participation section of plan.

Citizen participation is the foundation of housing and community development programs. The City of Billings has adopted a *Citizen Participation Plan* which is implemented during Consolidated and Annual Action Plan processes in order to ensure active participation by residents and affiliate organizations. The City has also adopted a *Language Assistance Plan* to ensure meaningful access to program information and equal opportunity for persons with hearing impairment and limited English proficiency. Both plans can be found online at www.Billingsmt.gov/CDreports.

The Citizen Participation Plan describes public access and engagement through public comment periods, public hearings, published notices, online and hard copy access to documents, and access for the disabled and limited English proficiency. The Plan also details the public decision-making processes via the Community Development Board and the Billings City Council.

Criteria for amending the Consolidated and Annual Action Plans includes substantial changes; *the creation of any new program, project, or activity to be funded or carried out under the City's CDBG and / or HOME programs*. All substantial changes to the Consolidated and Annual Action Plans must meet demonstrated need substantiated by HUD-approved data sources. Minor amendments include the *expansion of an existing program, project, or activity funded or carried out under the City's CDBG and / or HOME programs*. Minor changes must also meet demonstrated need by HUD-approved data sources.

In the event of a pandemic or other infectious disease, the City may alter public participation to include social distancing, virtual attendance, and other forms of virtual participation in lieu of or in addition to efforts described in the Citizen Participation Plan. The City may also implement shorter public comment periods as allowed by HUD. As per federal regulation, the City of Billings may publish its application for CDBG-CV funds for no less than five calendar days to solicit public comments.

Summary of public comments

Brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

The FY2021-2022 Annual Action Plan was open for public comment from March 27 through April 26, 2021. A public hearing was held on April 26, 2021 during the Billings City Council meeting to accept public comments on the Annual Action Plan and Community Development Board recommendations for funding allocation. To facilitate an open public involvement process, the public hearing was available live and remains available on demand at the www.comm7tv.com website and also on Community 7's public Facebook page at www.facebook.com/comm7tv.

Public Comment & Hearing: Comments pending...

Summary of comments or views not accepted and the reasons for not accepting them

All comments were taken into consideration during the development of the Annual Action Plan.

Summary

Comments received...

Section II: The Process

PR-05 Lead & Responsible Agencies

24 CFR 91.200(b)

Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

The City of Billings - Community Development Division staff is responsible for preparing the Consolidated Plan and administration of CDBG and HOME grant programs.

Agency Role	Name	Department/Agency
CDBG Administrator	City of Billings	Community Development Division
HOME Administrator	Brenda Beckett, Division Manager	

Table 1 – Responsible Agencies

Consolidated Plan Public Contact Information

Brenda Beckett, Community Development Manager
Community Development Division, 2825 3rd Avenue North, Billings, MT
Phone: 406-657-8286
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Web: www.Billingsmt.gov/comdev

AP-10 Consultation

91.100, 91.200(b), 91.215(l)

Introduction

A number of organizations in the community are involved in affordable housing and community development-related activities in Billings and are asked to comment on the Consolidated and Annual Action Plans. The continued cooperation of these organizations in pursuing affordable housing for the community is required to meet the Consolidated Plan goals. Consultations include review of the plan with public and private agencies that provide health care, social services and fair housing education. Populations targeted for consultation include agencies that provide services for children, the elderly, the disabled, minorities, single-headed households, persons with HIV / AIDS and their families, and homeless individuals and families.

The Consolidated and Annual Action Plans are distributed widely during the public comment period and interested persons were invited to attend a number of staff-facilitated, regularly scheduled meetings to find out more about Community Development initiatives. Routine meetings were facilitated through staff for the Community Development Board; six of the nine total members represent and reside in low income neighborhoods.

Provide a concise summary of the jurisdiction’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I)).

Public Housing: The Housing Authority of Billings is primarily responsible for administration of the public housing and Section 8 Programs for the community. The Housing Authority is an independent organization established under the laws of the State of Montana. Board members for the Housing Authority are appointed by the Mayor for the City of Billings. 91.100(c)

Housing Opportunities for Persons with AIDS: Public and private agencies have assisted the City in reviewing the Consolidated Plan. Local organizations providing housing, health services, and social services have been involved in planning processes for the homeless and chronically homeless. The City does not receive Housing Opportunities for Persons with AIDS (HOPWA) funding directly, but supports the Human Resources Development Council District 7 in their implementation of HOPWA goals and objectives. 91.100(b)

Adjacent Governments: Communication regarding non-housing community development needs is conducted via collaboration through adjacent units of local government including the State of Montana and Yellowstone County. 91.100(a)(4)

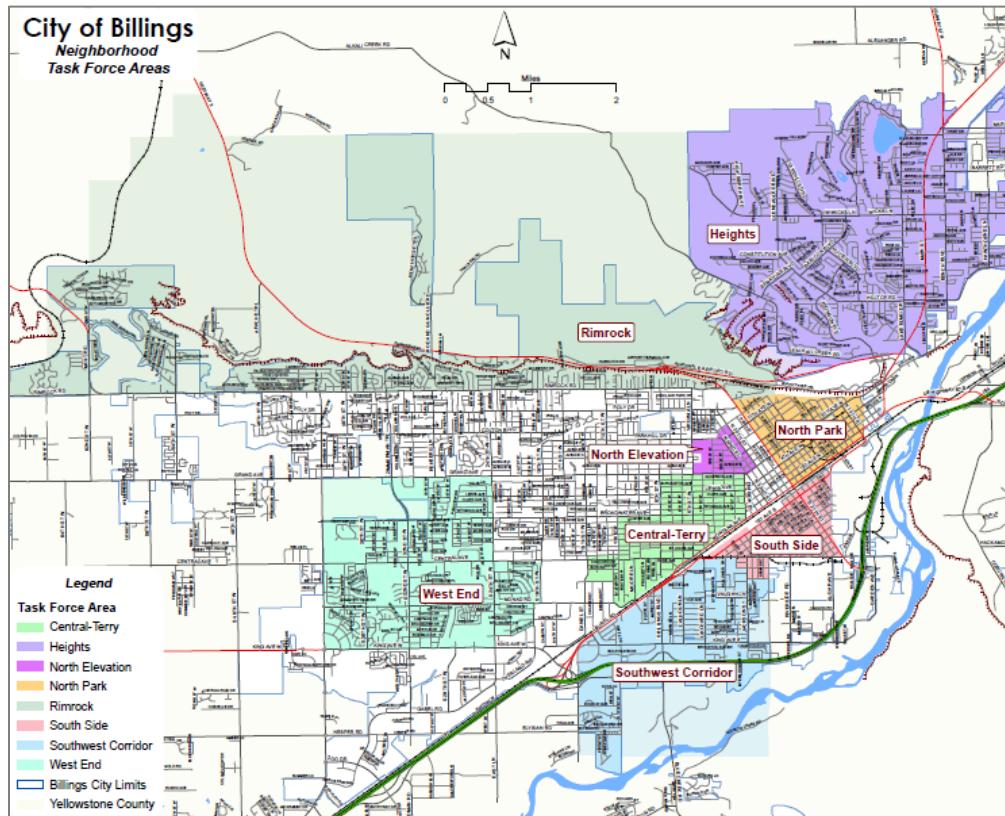
Metropolitan Planning: The City of Billings - Community Development Division is included in the Planning and Community Services Department. The Department, overall, includes Code Enforcement, Planning / Transportation (includes the City of Billings and Yellowstone County), and the Building Division. These Divisions work internally to implement the Growth Policy, Infill Policy, Transportation Plan and Neighborhood Plans collectively. All City-assisted projects are reviewed for residential access to public transportation and broadband infrastructure. 91.100(a)(5)

Community Development Board: The **Community Development Board** is a citizen’s advisory board consisting of nine members who are appointed by the Mayor of Billings with the consent of the City Council. Six members are appointed to represent low income neighborhoods of the City as defined by federal regulations for the CDBG program and three members represent the community at large. This board serves in an advisory capacity to the City Council for the purpose of providing citizen input on policy decisions to the City Council. The Community Development Board makes recommendations to the City Council regarding the Consolidated Plan, the Annual Action Plan, the Citizen Participation Plan, and the CAPER. In addition, the Community Development Board reviews applications submitted for CDBG and HOME funding in order to make funding recommendations to the City Council for approval.

Billings City Council: The **Billings City Council** is the final governmental policy body that reviews and takes action on the Annual Action Plan, including the Citizen Participation Plan. The Community Development Board presents recommendations to the City Council during a scheduled work session preceding the public hearing each April in order to deliver information on decisions made regarding recommendations. After receipt and consideration of public comments, the City Council has the opportunity to approve the Consolidated Plan and Annual Action Plan and proposed funding allocations. Following approval, the Consolidated Plan and Annual Action Plans are forwarded to HUD.

Low-Income and Minority Households: In order to encourage citizen participation emphasizing the involvement of low income and minority residents in areas where housing and community development funds may be spent, the City’s Community Development Board is comprised of six members representing lower income neighborhoods. The City’s Planning and Community Services Department also continues to

coordinate meetings with the Adjacent Neighborhood Committee including those representing the City's low income areas with high concentrations of minorities.



The City also continues to support the *Adjacent Neighborhood Committee* comprised of Task Force officers who meet quarterly to collaborate. The City also seeks input from low-income neighborhood representatives on housing, neighborhood and public service activities for the annual allocation process.

Additional Minority Outreach: Actions taken to establish and oversee a minority outreach program to ensure inclusion of minorities and women, entities owned by minorities and women, is accomplished by the following:

- Annual advertisement for contractor opportunities in construction are published in print media and distributed to low income and minority households.
- Maintaining a current email distribution list for the lending community and the real estate community at large in the Billings area.
- Opportunities for contracts are distributed to:
 - Chairpersons for the Neighborhood Task Forces, which cover both low income areas and higher concentrations of minority residents.
 - Housing Authority of Billings to post for residents utilizing public assistance, also a higher single-headed household and minority population.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

Continuum of Care Funding: Funding is provided to the State of Montana and are distributed by the State to various regions in Montana through the Human Resource Development Councils (HRDCs). A Continuum of Care application is prepared on a statewide basis and the City plays a small role in this process. One or two organizations in Billings may receive Continuum of Care funding, but a very small percentage of the available Continuum of Care funding is allocated to local projects; five to seven percent annually.

Billings Metro VISTA Project: In order to maintain momentum for City's ten-year plan to impact homelessness, the City's Community Development Division created an AmeriCorps Volunteers in Service to America (VISTA) program known as the *Billings Metro VISTA Project*; sponsored by the Corporation for National and Community Service. VISTA members work to create or expand community-based programs, services, and systems that prevent and intervene in homelessness. VISTA members may be supervised by City staff for over-arching, community-wide benefit programs and they can also be supervised by nonprofit organization staff that are spearheading efforts to impact poverty and homelessness.

Statewide Continuum of Care: The Montana Continuum of Care Coalition (MT CoC) is the statewide organization designed to bring homeless service providers together from across the state in order to identify needs, inventory resources, recognize gaps and prioritize HUD funding as part of a greater planning effort to eradicate homelessness in Montana. The coalition was formed to address homelessness with very few resources to cover Montana's vast geographical area. In 2012, MT CoC restructured to incorporate a Board of Directors to oversee the operations of the coalition. The MT CoC consists of 15 delegates; ten from districts mirroring the same planning districts used by the Montana Department of Health and Human Services and five at-large delegates. The Board of Directors is the decision-making entity for the MT CoC and is responsible for ensuring compliance with the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act.

Local Continuum of Care: The South Central Montana Continuum of Care serves as the City's local Continuum of Care organization. It is a subsidiary of the MT CoC and represents Big Horn, Carbon, Stillwater, Sweet Grass, and Yellowstone counties. The South Central Montana Continuum of Care collaboratively works to develop, support, and promote a continuum of resources, services, and housing opportunities that prevent homelessness and promote long-term stability.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate Emergency Solutions Grant (ESG) funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of Homeless Management Information System (HMIS).

The City does not receive ESG funds as an entitlement; these funds are distributed statewide by the Montana Department of Public Health and Human Services through ten HRDCs throughout the state. Therefore the City does not develop performance standards, evaluate outcomes or develop funding, policies or procedures for the administration of HMIS.

District 7 HRDC utilizes ESG funding for homeless prevention activities and rapid-rehousing. HRDC staff does not maintain a waiting list due to the volume of households in need. HRDC has received additional HUD Continuum of Care funds for rapid-rehousing homeless families living in shelters.

Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities.

Table 2 – Agencies, groups, organizations who participated

#	Agency/Group/Organization	Type(s)	Consolidated Plan Section(s)	How Consulted / Outcomes
1.	Housing Authority of Billings	Public Housing Authority; Services - Homeless	Housing Need Assessment; Public Housing Needs; Homeless Needs - Chronically Homeless, Families with Children, Veterans; Homelessness Strategy; Market Analysis; Anti-Poverty Strategy	Email / phone / web retrieval; data exchange for the development of relevant sections
2.	Homeward	Housing	Housing Need Assessment; Market Analysis; Anti-Poverty Strategy	
3.	Rimrock	Housing; Services - Persons with Disabilities	Housing Need Assessment; Homeless Needs - Chronically Homeless; Anti-Poverty Strategy	
4.	Mental Health Center	Housing; Services - Persons with Disabilities	Housing Need Assessment; Non-Homeless Special Needs; Anti-Poverty Strategy	
5.	Family Service, Inc.	Services - Housing	Housing Need Assessment; Market Analysis; Homeless Needs - Families with Children; Homelessness Strategy; Anti-Poverty Strategy	
6.	District 7 HRDC	Housing; Services - Housing, Children, Persons with HIV/AIDs, Homeless	Housing Need Assessment; Homeless Needs - Chronically Homeless, Families with Children; Homelessness Strategy; HOPWA Strategy; Anti-Poverty Strategy	
7.	Adult Resource Alliance	Services - Elderly Persons	Housing Need Assessment; Non-Homeless Special Needs; Anti-Poverty Strategy	
8.	Big Sky Senior Services	Services - Elderly Persons	Housing Need Assessment; Non-Homeless Special Needs; Anti-Poverty Strategy	
9.	Living Independently for Today and Tomorrow	Housing; Services - Persons with Disabilities	Housing Needs Assessment; Market Analysis; Non-Homeless Special Needs	
10.	City of Billings - Planning Division	Local Government; Planning Organization	Housing Needs Assessment; Market Analysis; Economic Development; Anti-Poverty Strategy; Broadband Access; Resiliency	
11.	YWCA Gateway House	Housing; Services - Domestic Violence, Children	Housing Needs Assessment; Market Analysis; Homeless Needs - Families with Children; Anti-Poverty Strategy	
12.	Billings Public Schools	Services - Homeless, Education	Homeless Needs - Families with Children; Anti-Poverty Strategy	
13.	Billings Job Service	Services - Employment	Economic Development; Anti-Poverty Strategy	
14.	Montana Fair Housing	Services - Fair Housing	Housing Needs Assessment; Non-Homeless Special Needs; Anti-Poverty Strategy	
15.	The Alliance	Health Agency	Non-Homeless Special Needs; Anti-Poverty Strategy	
16.	Montana Department of Commerce	State; Housing	Housing Need Assessment; Market Analysis; Anti-Poverty Strategy	
17.	Billings Public Works Department	Local Government	Non-Housing Community Development Needs	
18.	Billings Police Department	Local Government; Services - Domestic Violence, Homeless	Housing Need Assessment; Anti-Poverty Strategy	

Identify any Agency Types not consulted and provide rationale for not consulting.

The City of Billings staff is not aware of any agency types that have not been consulted in preparation of the Annual Action Plan. City staff contacted many agencies to assist with the development of the Consolidated and Annual Action Plans and has widely circulated information relative to proposed programs and funding allocations to garner feedback. Additional efforts were made during the public comment period to distribute the Annual Action Plan for review and feedback.

Describe other local/regional/state/federal planning efforts considered when preparing the Plan.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Montana State Continuum of Care	Identifies Federal and State resources to impact homelessness.
Growth Policy	City of Billings - Planning Division	Promotes affordable housing and infill development.
Infill Policy	City of Billings - Planning Division	Promotes affordable housing and infill development.
Annexation Policy	City of Billings - Planning Division	Promotes infill development.
Transportation Plan	City of Billings - Planning Division	Improves transit impacting project affordability
Neighborhood Plans	City of Billings - Planning Division and Neighborhood Task Forces	Guides development efforts in each neighborhood.
Consolidated Plan	Montana Department of Commerce - Community Development	State CDBG and HOME resources may be available to further projects. Consultation and coordination of statewide Analysis of Impediments to Fair Housing Choice.

Table 3 – Other local / regional / federal planning efforts

AP-12 Participation

91.105, 91.200(c)

Summary of citizen participation process/Efforts made to broaden citizen participation. Summarize citizen participation process and how it impacted goal-setting.

Public comments are requested at least 30 days prior to submission of reports required under HUD’s Consolidated Plan process. City staff has considered all written comments by citizens, public agencies and other interested parties prior to submission of its final Consolidated Plan and related reports to HUD and attach a summary of each comment to the final submission. If written comments were not accepted for inclusion in the Plan, City staff has provided written explanation of why those comments were not accepted.

Staff utilizes data-driven analysis processes along with citizen and community participation to establish goals, strategies and funded activities.

Citizen Participation Outreach

#	Mode of Outreach	Target of Outreach	Summary of response/attendance
Summary of comments not accepted and reasons: No comments were rejected.			
1	Public Notices	Nonprofit and other organizations with an interest in CDBG and / or HOME funding opportunities	Public Notices regarding the availability of CDBG and HOME funding were published through the Yellowstone County News on December 11 and 18, 2020.
	The City did not receive applications from nonprofit or other organizations.		
2	Public Notices	Nonprofit organizations with an interest in AmeriCorps VISTA funding opportunities	Public Notices regarding the availability of AmeriCorps VISTA resources were published through the Yellowstone County News on December 11 and 18, 2020.
	The City received numerous proposals for AmeriCorps VISTA placements for projects designed to impact poverty.		
3	Public Notices	Minorities, Disabled, Broad Community, Public & Assisted Housing Residents, All Citizens	Public Notices regarding the publication of the drafted Annual Action Plan on the City's website, the public comment period from March 27 through April 26, 2021. Notice of the public hearing to be held during the April 26, 2021 City Council meeting was published in the Yellowstone County News on March 26, April 2, and April 9, 2021.
	See the appendix for a summary of responses.		
4	Website	Minorities, Disabled, Broad Community, Public & Assisted Housing Residents, All Citizens	The drafted Annual Action Plan was available online from March 27 through April 26, 2021 for public comment and feedback. Emails were also sent to Billings area nonprofit, healthcare, and housing organizations.
	See the appendix for a summary of responses.		
5	Public Meetings	Minorities, Disabled, Broad Community, Public & Assisted Housing Residents, All Citizens	Monthly Community Development Board meetings are streamed live and video is available on demand on the Billings Planning and Community Services Department Facebook page.
	Update...		
6	Public Meeting	Minorities, Disabled, Broad Community, Public & Assisted Housing Residents, All Citizens	City Council public hearing held on April 26, 2021 was streamed live and video is available on demand at www.comm7tv.com . Streamed live and video is available on demand at www.facebook.com/comm7tv .
	Update...		

Table 4 – Citizen Participation Outreach

Section III: Annual Action Plan

Introduction

The table below illustrates the CDBG and HOME resources expected for the program year. 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 10% 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 to \$300,000+ 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 to \$300,000+ in HOME funding through these venues, and the funding will be utilized to further programs identified in this Plan. The City of Billings programs utilize 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 and other previously funded federal and state programs.

Routine revenues including program income, recaptured / repaid funds, and re-programmed monies will be utilized for existing and previously approved programs as it is received during each fiscal year. Routine revenues are allocated on a close- and shovel-ready basis to ensure timely commitment and expenditure. These changes are customary and facilitate funding allocations to projects and activities most in demand and do not require a substantial or minor amendment to the Consolidated Plan.

The City has also been awarded \$909,126 in CARES Act funding (CDBG-CV) to support coronavirus response for low-income individuals and families in Billings. The City will be submitting a substantial amendment to the FY2020 Annual Action Plan prior to August 2021 with recommended allocations for these funds to exclusively prevent, prepare for, and respond to the coronavirus pandemic.

Anticipated Resources

Program	Source of Funds	Expected Amount Available				Expected Amount Available Reminder of Con Plan	Narrative Description
		Annual Allocation	Program Income	Prior Year Resources	Total		
CDBG	Public / Federal	\$645,143	\$75,000	\$0	\$720,143	\$0	Entitlement Allocation
	Uses of Funds: Administration, Homeowner Rehabilitation, Homebuyer Acquisition, New Housing Development, Public Services						
HOME	Public / Federal	\$334,548	\$150,000	\$0	\$484,548	\$0	Entitlement Allocation
	Uses of Funds: Administration, Homebuyer Acquisition, New Housing Development						

Table 5 - 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 publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan.

The City of Billings does not have plans to use publicly owned land to address needs identified in the Consolidated Plan and is not required to do so, as per federal regulation.

Requirements set forth in CFR 24 91.220 and 91.520 indicate the City *may indicate* publicly owned land or property located within the jurisdiction that *may be used* to address the needs identified in the Consolidated / Annual Action Plan.

While the City has not dedicated land to the Community Development Division, the Billings City Council supported the Division's housing programs by dedicating nearly \$450,000 in non-federal funds to support Consolidated Plan activities.

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Goals Summary Information

Projects are funded on a close- and shovel-ready basis for core programs as described in this Plan.

An asterisk indicates *Housing development organizations housing development activities must be implemented by housing development organizations.

#	Goal Name	Category & Needs Addressed	Outcome	Objective	\$	City Program	Goal Outcome Indicator	One Year Goal
1	Create, preserve, and expand affordable housing options	Affordable Housing	Affordability	Decent Affordable Housing	CDBG \$241,114 HOME \$301,093 NSP TBD	Affordable Housing Development	Public Infrastructure: Low income Housing Benefit	# Households Assisted*
							Rental Units Constructed	# Housing Units*
							Rental Units Rehabilitated	# Housing Units*
							Homeowner Housing Added	# Housing Units*
						Housing Rehabilitation	Homeowner Housing Rehabilitated	2 Housing Units
						First Time Home buyer	Direct Financial Assistance to Homebuyers	35 Households Assisted
<ul style="list-style-type: none"> • Encourage the citywide development of new affordable single-family, multi-family and special needs housing in the community through private developers and nonprofit organizations. • Provide direct, affordable financing and assistance to low income homeowners for the completion of needed repairs citywide. • Provide affordable financing and support to promote homeownership opportunities citywide. 								
2	Neighborhood Revitalization: Foreclosures	Affordable Housing	Affordability	Decent Affordable Housing	CDBG \$250,000	Foreclosure Acquisition Rehabilitation	Homeowner housing rehabilitated	1 Housing Unit
							Buildings Demolished	# Buildings*
<ul style="list-style-type: none"> • Revitalize neighborhoods through foreclosure remediation, redevelopment and infill development. 								
3	Impact Poverty	Other: Poverty Impact	Availability / Accessibility	Create Suitable Living Environment	CDBG \$25,000 CNCS TBD	Billings Metro VISTA Project	Public service activity for low income benefit	200 Persons Assisted
HOME Investment Partnerships Program (HOME)			Community Development Block Grant (CDBG)			Corporation for National and Community Service (CNCS)		

Table 6 – Goals Summary

Introduction

The City of Billings is recommending the following projects for CDBG and HOME funding for FY2021-2022. Revenues received from CDBG, HOME, and other sources will be allocated to current programs under a close- / shovel-ready basis to ensure commitment and expenditure timeliness.

The City will be receiving \$645,143 in new CDBG funds and \$334,548 in new HOME funds. CDBG and HOME administration will be funded at the maximum allowable caps (20 and 10 percent, respectively).

CDBG programs will be funded as follows: \$250,000 to the Foreclosure Acquisition / Rehabilitation program \$25,000 to the Billings Metro VISTA Project, , Housing Rehabilitation will be initially funded at \$75,000, and the remaining funds would be allocated to the First Time Home Buyer program. These funding allocations are subject to the City’s standard close- and shovel-ready allocation process.

The City has asked for a waiver to release the City’s obligation to reserve 15 percent minimum HOME funding for a Community Housing Development Organization (CHDO) project in order to prioritize families in current need. All other HOME funds would be dedicated to the First Time Home Buyer program. These funding allocations are also subject to the City’s standard close- and shovel-ready allocation process.

#	Project Name	FY2021-2022 Allocations	
		CDBG	HOME
1 & 2	Administration	\$129,029	\$33,455
3	Housing Rehabilitation	\$75,000	-
4	Foreclosure Acquisition / Rehabilitation	\$250,000	-
5	Community Housing Development Organizations	-	\$0
6	First Time Home Buyer	\$166,114	\$301,093
7	Billings Metro VISTA Project	\$25,000	-

Table 7 – 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:** Single- and multi-housing development, Housing Rehabilitation, and First Time Home Buyer, and Foreclosure Acquisition and Rehabilitation.
- **Poverty Impact:** Billings Metro VISTA Project.

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.

#	Project Name	Target Area	Goals / Needs	Funding – No Program Income	Target Date	Estimate # / Type Families Benefitting
4 & 5	Administration	City of Billings	Affordable Housing	CDBG \$129,029 HOME \$33,455	June 30, 2022	Not Applicable
		General grant administration for CDBG and HOME programs.				
6	Affordable Housing Development	City of Billings	Affordable Housing	CDBG \$0	June 30, 2022	# Low income Households Assisted
		Description: Encourage the citywide development of new affordable single-family, multi-family and special needs housing in the community through private developers and nonprofit organizations. Planned Activities: This funding would be utilized to facilitate the development of new affordable housing.				
7	Community Housing Development Organization	City of Billings	Affordable Housing	HOME \$0	June 30, 2022	# Housing Units: Rentals constructed, rehabbed, or owner housing added
		Description: Encourage the citywide development of new affordable single-family, multi-family and special needs housing in the community through private developers and nonprofit organizations. Planned Activities: This funding would be utilized to facilitate the development of new affordable housing.				
8	Housing Rehabilitation	City of Billings	Affordable Housing	CDBG \$75,000	June 30, 2022	2 Low income Housing Units
		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. Planned Activities: This program provides low income households with zero interest, no payment financing to make needed improvements. This program revitalizes established neighborhoods and preserve the existing affordable housing stock through the completion of repairs to housing.				
9	First Time Home Buyer	City of Billings	Affordable Housing	HOME \$301,093 CDBG \$166,114	June 30, 2022	35 Low income Households Assisted
		Description: Provide affordable financing and support to promote homeownership opportunities citywide. Planned Activities: This program provides financial resources to support low-income first time homebuyers with down payment and closing costs.				
10	Foreclosure Acquisition & Rehabilitation	City of Billings	Affordable Housing	CDBG \$250,000	June 30, 2022	1 Housing Unit – Low income Household
		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. 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. Properties may also be demolished to make way for new construction of affordable housing. 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.				
11	Billings Metro VISTA Project	City of Billings	Poverty Impact	CDBG \$TBD	June 30, 2022	200 Low Income Persons Assisted
		Description: Provide public service activity funding to support the Billings Metro VISTA Project to support local nonprofit organizations expand services for the homeless and special needs populations: Healthcare; Food Security; Education; Employment; Financial Literacy; and Housing. Planned Activities: 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 strengthening services in the poverty-impact service continuum.				
Community Development Block Grant (CDBG) HOME Investment Partnerships Program (HOME)						

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 and Annual Action Plans 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.
- Citywide strategies encourage the distribution of resources to 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 planned for allocation 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 7 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The strategies identified in the Consolidated and Annual Action Plans 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	38
Special-Needs	0
Total	38

Table 8 - 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	3
Acquisition of Existing Units	1
Total	4

Table 9 - 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 housing needs assessments, assists in funding new projects when appropriate, and assists with applications for supportive services when called upon.

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. 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 the Consolidated and Annual Action Plan.

Introduction

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

- Continuing to distribute the City's *Resource Map*, *Notepad*, and the *Veteran's Resource Map*. These documents include comprehensive service directories for anyone seeking assistance.
- To the greatest extent possible, City staff will continue to provide local nonprofit organizations access to AmeriCorps VISTA members through the **Billings Metro VISTA Project** resources. VISTA members may be placed at the City to undertake objective citywide initiatives. VISTA members may also be placed at nonprofit Host Site organizations to work on specific anti-poverty initiatives.

The City does not directly receive Continuum of Care, Emergency Shelter Grant, or other federal funds to exclusively support efforts to impact homelessness. City staff does not provide direct services to those experiencing homelessness.

A network of over 50 local service providers in the community strive to meet the diverse needs of those experiencing homelessness, those who are at-risk of homelessness, and people experiencing poverty. The Mental Health Center manages a Projects for Assistance in Transition from Homelessness (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.

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

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. Additional services for the homeless are 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

The shelter needs for those experiencing homelessness in the Billings community are primarily met by the Montana Rescue Mission. The organization operates men's shelter and a shelter to serve women and their children. 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. Additional services for the homeless are included in the MA-30 Homeless Facilities and Services section of this Consolidated Plan.

For those living on the downtown streets of Billings, a position was created for an addiction / mental health counselor to accompany two downtown police officers when engaging people living on the streets. This initiative was 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. Non-federal funding through the City of Billings has been allocated to support the counselor staff position.

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.

Family Promise of Yellowstone Valley provides emergency shelter to several families at a time in a network of church congregations. The organization also operates a transitional housing program that provides apartments for those who have graduated from the shelter program.

YWCA Gateway House provides housing for female-headed households who have been victims of domestic violence. Additional services provided include case management, mental health treatment, budgeting assistance, and the facilitation of access to benefits. The organization also provides transitional housing and permanent supportive housing.

HRDC District 7 receives Emergency Shelter Grant funds and manages a rapid rehousing program to provide deposit and rent payment assistance to help families quickly regain stability into permanent housing.

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.

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

Introduction

Barriers to affordable housing are noted in the MA-40 and SP-55 Barriers to Affordable Housing sections of this Consolidated Plan.

Additional barriers have been identified in the City's Analysis of Impediments to Fair Housing Choice, including:

- Concentrations of minorities that would not exist in a free market not distorted by discrimination suggest that Billings has a dual housing market; one for non-Hispanics, Whites and Asians and another for all other minorities.
- Discriminatory real estate industry practices such as racial and ethnic steering distort the free market in housing.
- Discrimination against Latinos in issuing government-backed mortgage and refinancing loans continues unabated in Billings as it does throughout the nation.
- The relatively high cost of housing continues to pose a barrier to fair housing choice in Billings.
- A review of Unified Zoning Regulations and review requirements to foster compliance with fair housing law and to promote inclusionary zoning.
- There is a serious shortage of housing affordable to holders of Housing Choice Vouchers in the areas where the proportion of public school students from low income neighborhoods is relatively low.

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 and poverty impact through the following programs:

- Housing Rehabilitation
- Foreclosure Acquisition / Rehabilitation
- First Time Home Buyer
- Affordable Housing Development
- Billings Metro VISTA Project

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:

- **First Time Home Buyer**
 - Promote financial security, home equity, housing self-sufficiency, housing and neighborhood quality and stability.
 - Increase minority homeownership, promote equal access and opportunity, and decrease segregation citywide.
 - Improve affordable housing opportunities for the elderly, persons with disabilities, and other special populations.
 - Reduce predatory lending through education and standardized procedures.
- **Housing Rehabilitation**
 - Help current homeowners maintain their homes in safe, quality condition.
 - Increase value, quality, and durability of existing affordable housing stock.
- **Affordable Housing Development**
 - Expand access and availability of decent, affordable housing citywide.
 - Improve the physical quality of affordable housing.
 - Foster suitable living environment and quality of life through the improvement of physical conditions including infrastructure for housing projects and housing development.
- **Foreclosure, Acquisition, Rehabilitation**
 - Mitigate the negative community impact of vacant, foreclosed properties.
 - Improve affordable housing quality, condition, safety, livability, and accessibility.
 - Stabilize property values in neighborhoods with existing vacant, foreclosed homes.
 - Eliminate the potential for crime related to existing vacant, foreclosed properties.
- **Billings Metro VISTA Project**
 - Provide resources to nonprofit organizations to undertake poverty impact activities and to support the low income individuals and families they serve.
 - Focus areas include: education, healthcare, food security, economic opportunity, housing, financial literacy, and others.

Actions planned to foster and maintain affordable housing

The City plans on maintaining affordable housing through the following:

- **Create, preserve, and expand affordable housing options:** Affordable Housing Development; Housing Rehabilitation; and First Time Home Buyer.
- **Neighborhood Revitalization – Foreclosures:** Foreclosure Acquisition Rehabilitation
- **Impact Poverty:** Billings Metro VISTA Project

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. 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.

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.

Actions planned to reduce the number of poverty-level families

As stated in the SP-70 Anti-Poverty Strategy section of the Consolidated Plan, the Needs Assessment contains comprehensive information on the lower income status of local households. All of the Consolidated Plan strategies target the improvement of economic conditions of lower income households in the community, including housing development, financing home repair, continuing partnerships and funding public service activities. The City proposes to support the following specific activities in this Consolidated Plan to address economic conditions of low and moderate-income households in Billings:

- Continue to work with nonprofit organizations to help address the human service needs of lower income residents of the community in general and of our lower income neighborhoods in particular. This would be achieved primarily through supporting capacity building efforts of social service agencies through implementation of the *Billings Metro VISTA Project*.
- Continue to apply for the AmeriCorps VISTA project status in order to bring full-time and summer associate volunteers to work on poverty-impact programs.

AmeriCorps VISTA is a national anti-poverty initiative that places full-year and Summer Associate volunteers with local projects. Full-year VISTA members are recruited locally and nationally, are college graduates and commit to at least a year of service with a project. Summer Associates are at least 18 years old and commit to ten weeks of service.

Actions planned to develop institutional structure

As described in the SP-40 Institutional Delivery Structure section of the Consolidated Plan, the City of Billings maintains strong partnerships with housing and social service agencies. The only gaps in the

institutional structure relate to funding limitations and the City's inability to dedicate time and resources to additional projects outside of the current funding structure.

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:

- Nonprofit Organizations
- Neighborhood Task Forces
- Community Innovations Initiatives
- Resource Map and Notepad
- Veteran's Resource Map
- Billings Metro VISTA Project

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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(I)(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 2021-2022	

Reference 24 CFR 91.220(I)(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. The City utilizes HUD's 95% of the median purchase price limit set forth by 24 CFR 92.254(a)(2)(iii); single family mortgage limits under Section 203(b) of the National Housing Act.

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.

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 Home Buyer 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.