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|-----------------------------------|-------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>PHA 5-Year and Annual Plan</b> | <b>U.S. Department of Housing and Urban Development<br/>Office of Public and Indian Housing</b> | <b>OMB No. 2577-0226<br/>Expires 4/30/2011</b> |
|-----------------------------------|-------------------------------------------------------------------------------------------------|------------------------------------------------|

| <b>1.0</b>         | <b>PHA Information</b><br>PHA Name: <u>Housing Authority of Billings</u> PHA Code: <u>MT06P00150110</u><br>PHA Type: <input type="checkbox"/> Small <input checked="" type="checkbox"/> High Performing <input type="checkbox"/> Standard <input type="checkbox"/> HCV (Section 8)<br>PHA Fiscal Year Beginning: (MM/YYYY): <u>06/30/2011</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                    |          |                                      |                               |                                      |                               |                              |     |        |  |  |  |  |  |        |  |  |  |  |  |        |  |  |  |  |  |
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| <b>2.0</b>         | <b>Inventory</b> (based on ACC units at time of FY beginning in 1.0 above)<br>Number of PH units: <u>274</u> Number of HCV units: <u>579</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |          |                                      |                               |                                      |                               |                              |     |        |  |  |  |  |  |        |  |  |  |  |  |        |  |  |  |  |  |
| <b>3.0</b>         | <b>Submission Type</b><br><input type="checkbox"/> 5-Year and Annual Plan <input checked="" type="checkbox"/> Annual Plan Only <input type="checkbox"/> 5-Year Plan Only                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                    |          |                                      |                               |                                      |                               |                              |     |        |  |  |  |  |  |        |  |  |  |  |  |        |  |  |  |  |  |
| <b>4.0</b>         | <b>PHA Consortia</b> <input type="checkbox"/> PHA Consortia: (Check box if submitting a joint Plan and complete table below.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                    |          |                                      |                               |                                      |                               |                              |     |        |  |  |  |  |  |        |  |  |  |  |  |        |  |  |  |  |  |
|                    | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Participating PHAs</th> <th rowspan="2">PHA Code</th> <th rowspan="2">Program(s) Included in the Consortia</th> <th rowspan="2">Programs Not in the Consortia</th> <th colspan="2">No. of Units in Each Program</th> </tr> <tr> <th>PH</th> <th>HCV</th> </tr> </thead> <tbody> <tr> <td>PHA 1:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>PHA 2:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>PHA 3:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>                                                                                                                                                                                                                                                                                                    | Participating PHAs | PHA Code | Program(s) Included in the Consortia | Programs Not in the Consortia | No. of Units in Each Program         |                               | PH                           | HCV | PHA 1: |  |  |  |  |  | PHA 2: |  |  |  |  |  | PHA 3: |  |  |  |  |  |
| Participating PHAs | PHA Code                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                    |          |                                      |                               | Program(s) Included in the Consortia | Programs Not in the Consortia | No. of Units in Each Program |     |        |  |  |  |  |  |        |  |  |  |  |  |        |  |  |  |  |  |
|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | PH                 | HCV      |                                      |                               |                                      |                               |                              |     |        |  |  |  |  |  |        |  |  |  |  |  |        |  |  |  |  |  |
| PHA 1:             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                    |          |                                      |                               |                                      |                               |                              |     |        |  |  |  |  |  |        |  |  |  |  |  |        |  |  |  |  |  |
| PHA 2:             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                    |          |                                      |                               |                                      |                               |                              |     |        |  |  |  |  |  |        |  |  |  |  |  |        |  |  |  |  |  |
| PHA 3:             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                    |          |                                      |                               |                                      |                               |                              |     |        |  |  |  |  |  |        |  |  |  |  |  |        |  |  |  |  |  |
| <b>5.0</b>         | <b>5-Year Plan.</b> Complete items 5.1 and 5.2 only at 5-Year Plan update.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                    |          |                                      |                               |                                      |                               |                              |     |        |  |  |  |  |  |        |  |  |  |  |  |        |  |  |  |  |  |
| <b>5.1</b>         | <b>Mission.</b> State the PHA's Mission for serving the needs of low-income, very low-income, and extremely low income families in the PHA's jurisdiction for the next five years:<br><br>The Housing Authority of Billings helps families and individuals with low incomes to achieve greater stability and self-reliance by providing safe, affordable, quality housing and links to the community.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                    |          |                                      |                               |                                      |                               |                              |     |        |  |  |  |  |  |        |  |  |  |  |  |        |  |  |  |  |  |
| <b>5.2</b>         | <b>Goals and Objectives.</b> Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low-income and very low-income, and extremely low-income families for the next five years. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                    |          |                                      |                               |                                      |                               |                              |     |        |  |  |  |  |  |        |  |  |  |  |  |        |  |  |  |  |  |
| <b>6.0</b>         | <b>PHA Plan Update</b><br>(a) Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission:<br>(b) Identify the specific location(s) where the public may obtain copies of the 5-Year and Annual PHA Plan. For a complete list of PHA Plan elements, see Section 6.0 of the instructions.<br>A new Section 8 Administrative Plan using the Nan MacKay base as a model. Also a revision to the Public Housing Admissions and Occupancy policy was made, progress of goals and objectives, resident Advisory comments, Handicap Unit Listing, and Financial Resources. These mentioned policy changes can be viewed at the Housing Authority of Billings Main office 2415 1 <sup>st</sup> Ave. north, Billings, Mt/ 59101. All current policies may be found on the housing authority website at www.billingsha.org. <b>Mt001a11.pdf, Mt001001m11.pdf, Mt001n11.pdf, Mt001t11.pdf, Mt001w11.doc</b> |                    |          |                                      |                               |                                      |                               |                              |     |        |  |  |  |  |  |        |  |  |  |  |  |        |  |  |  |  |  |
| <b>7.0</b>         | <b>Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers.</b> <i>Include statements related to these programs as applicable. The PHA does not have any Hope VI, Mixed finance Modernization or Development projects, or Demo or Disposition projects at this time. The PHA has a Section 8 Homeownership policy included in the Section 8 Administrative policy</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                    |          |                                      |                               |                                      |                               |                              |     |        |  |  |  |  |  |        |  |  |  |  |  |        |  |  |  |  |  |
| <b>8.0</b>         | <b>Capital Improvements.</b> Please complete Parts 8.1 through 8.3, as applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                    |          |                                      |                               |                                      |                               |                              |     |        |  |  |  |  |  |        |  |  |  |  |  |        |  |  |  |  |  |
| <b>8.1</b>         | <b>Capital Fund Program Annual Statement/Performance and Evaluation Report.</b> As part of the PHA 5-Year and Annual Plan, annually complete and submit the <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> , form HUD-50075.1, for each current and open CFP grant and CFFP financing.<br><b>See attachment –Mt.001c11.doc</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                    |          |                                      |                               |                                      |                               |                              |     |        |  |  |  |  |  |        |  |  |  |  |  |        |  |  |  |  |  |
| <b>8.2</b>         | <b>Capital Fund Program Five-Year Action Plan.</b> As part of the submission of the Annual Plan, PHAs must complete and submit the <i>Capital Fund Program Five-Year Action Plan</i> , form HUD-50075.2, and subsequent annual updates (on a rolling basis, e.g., drop current year, and add latest year for a five year period). Large capital items must be included in the Five-Year Action Plan.<br><b>See attachment – Mt001d11.doc</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |          |                                      |                               |                                      |                               |                              |     |        |  |  |  |  |  |        |  |  |  |  |  |        |  |  |  |  |  |
| <b>8.3</b>         | <b>Capital Fund Financing Program (CFFP).</b><br><input type="checkbox"/> Check if the PHA proposes to use any portion of its Capital Fund Program (CFP)/Replacement Housing Factor (RHF) to repay debt incurred to finance capital improvements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                    |          |                                      |                               |                                      |                               |                              |     |        |  |  |  |  |  |        |  |  |  |  |  |        |  |  |  |  |  |

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|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9.0  | <p><b>Housing Needs.</b> Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location.</p> <p><b>See attachment – Mt001e11.pdf</b></p> <p>+</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 9.1  | <p><b>Strategy for Addressing Housing Needs.</b> Provide a brief description of the PHA’s strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. <b>Note: Small, Section 8 only, and High Performing PHAs complete only for Annual Plan submission with the 5-Year Plan.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 10.0 | <p><b>Additional Information.</b> Describe the following, as well as any additional information HUD has requested.</p> <p>(a) Progress in Meeting Mission and Goals. Provide a brief statement of the PHA’s progress in meeting the mission and goals described in the 5-Year Plan. <b>See attachment – Mt.001a11.doc</b></p> <p>(b) Significant Amendment and Substantial Deviation/Modification. Provide the PHA’s definition of “significant amendment” and “substantial deviation/modification” <b>The PHA will consider an amendment a substantial deviation/modification if it proposes a project that is not listed in the five year plan, or that changes the cost of the project more than fifty percent.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 11.0 | <p><b>Required Submission for HUD Field Office Review.</b> In addition to the PHA Plan template (HUD-50075), PHAs must submit the following documents. Items (a) through (g) may be submitted with signature by mail or electronically with scanned signatures, but electronic submission is encouraged. Items (h) through (i) must be attached electronically with the PHA Plan. <b>Note:</b> Faxed copies of these documents will not be accepted by the Field Office.</p> <p>(a) Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i> (which includes all certifications relating to Civil Rights)Mt001h11.pdf</p> <p>(b) Form HUD-50070, <i>Certification for a Drug-Free Workplace</i> (PHAs receiving CFP grants only) Mt001i11.pdf</p> <p>(c) Form HUD-50071, <i>Certification of Payments to Influence Federal Transactions</i> (PHAs receiving CFP grants only) Mt001j11.pdf</p> <p>(d) Form SF-LLL, <i>Disclosure of Lobbying Activities</i> (PHAs receiving CFP grants only) Mt001k11.pdf</p> <p>(e) Form SF-LLL-A, <i>Disclosure of Lobbying Activities Continuation Sheet</i> (PHAs receiving CFP grants only)</p> <p>(f) Resident Advisory Board (RAB) comments. Comments received from the RAB must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the recommendations and the decisions made on these recommendations.</p> <p>(g) Challenged Elements Mt001l11.doc</p> <p>(h) Form HUD-50075.1, <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> (PHAs receiving CFP grants only) Mt001c11.pdf</p> <p>(i) Form HUD-50075.2, <i>Capital Fund Program Five-Year Action Plan</i> (PHAs receiving CFP grants only) Mt001d11.doc</p> |

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced 5-Year and Annual PHA Plans. The 5-Year and Annual PHA plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission and strategies for serving the needs of low-income and very low-income families. This form is to be used by all PHA types for submission of the 5-Year and Annual Plans to HUD. Public reporting burden for this information collection is estimated to average 12.68 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

**Privacy Act Notice.** The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality

## Instructions form HUD-50075

**Applicability.** This form is to be used by all Public Housing Agencies (PHAs) with Fiscal Year beginning April 1, 2008 for the submission of their 5-Year and Annual Plan in accordance with 24 CFR Part 903. The previous version may be used only through April 30, 2008.

### 1.0 PHA Information

Include the full PHA name, PHA code, PHA type, and PHA Fiscal Year Beginning (MM/YYYY).

### 2.0 Inventory

Under each program, enter the number of Annual Contributions Contract (ACC) Public Housing (PH) and Section 8 units (HCV).

### 3.0 Submission Type

Indicate whether this submission is for an Annual and Five Year Plan, Annual Plan only, or 5-Year Plan only.

### 4.0 PHA Consortia

Check box if submitting a Joint PHA Plan and complete the table.

### 5.0 Five-Year Plan

Identify the PHA's Mission, Goals and/or Objectives (24 CFR 903.6). Complete only at 5-Year update.

**5.1 Mission.** A statement of the mission of the public housing agency for serving the needs of low-income, very low-income, and extremely low-income families in the jurisdiction of the PHA during the years covered under the plan.

**5.2 Goals and Objectives.** Identify quantifiable goals and objectives that will enable the PHA to serve the needs of low income, very low-income, and extremely low-income families.

**6.0 PHA Plan Update.** In addition to the items captured in the Plan template, PHAs must have the elements listed below readily available to the public. Additionally, a PHA must:

- (a) Identify specifically which plan elements have been revised since the PHA's prior plan submission.
- (b) Identify where the 5-Year and Annual Plan may be obtained by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on its official website. PHAs are also encouraged to provide each resident council a copy of its 5-Year and Annual Plan.

#### PHA Plan Elements. (24 CFR 903.7)

1. **Eligibility, Selection and Admissions Policies, including Deconcentration and Wait List Procedures.** Describe the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV and unit assignment policies for public housing; and procedures for maintaining waiting lists for admission to public housing and address any site-based waiting lists.

2. **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA Operating, Capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources.
3. **Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units.
4. **Operation and Management.** A statement of the rules, standards, and policies of the PHA governing maintenance management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including cockroaches), and management of the PHA and programs of the PHA.
5. **Grievance Procedures.** A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants.
6. **Designated Housing for Elderly and Disabled Families.** With respect to public housing projects owned, assisted, or operated by the PHA, describe any projects (or portions thereof), in the upcoming fiscal year, that the PHA has designated or will apply for designation for occupancy by elderly and disabled families. The description shall include the following information: **1)** development name and number; **2)** designation type; **3)** application status; **4)** date the designation was approved, submitted, or planned for submission, and; **5)** the number of units affected.
7. **Community Service and Self-Sufficiency.** A description of: **(1)** Any programs relating to services and amenities provided or offered to assisted families; **(2)** Any policies or programs of the PHA for the enhancement of the economic and social self-sufficiency of assisted families, including programs under Section 3 and FSS; **(3)** How the PHA will comply with the requirements of community service and treatment of income changes resulting from welfare program requirements. **(Note: applies to only public housing).**
8. **Safety and Crime Prevention.** For public housing only, describe the PHA's plan for safety and crime prevention to ensure the safety of the public housing residents. The statement must include: (i) A description of the need for measures to ensure the safety of public housing residents; (ii) A description of any crime prevention activities conducted or to be conducted by the PHA; and (iii) A description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities.

9. **Pets.** A statement describing the PHAs policies and requirements pertaining to the ownership of pets in public housing.
10. **Civil Rights Certification.** A PHA will be considered in compliance with the Civil Rights and AFFH Certification if: it can document that it examines its programs and proposed programs to identify any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction.
11. **Fiscal Year Audit.** The results of the most recent fiscal year audit for the PHA.
12. **Asset Management.** A statement of how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory.
13. **Violence Against Women Act (VAWA).** A description of: 1) Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; 2) Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and 3) Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families.

**7.0 Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers**

- (a) **Hope VI or Mixed Finance Modernization or Development.** 1) A description of any housing (including project number (if known) and unit count) for which the PHA will apply for HOPE VI or Mixed Finance Modernization or Development; and 2) A timetable for the submission of applications or proposals. The application and approval process for Hope VI, Mixed Finance Modernization or Development, is a separate process. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>
- (b) **Demolition and/or Disposition.** With respect to public housing projects owned by the PHA and subject to ACCs under the Act: (1) A description of any housing (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition; and (2) A timetable for the demolition or disposition. The application and approval process for demolition and/or disposition is a separate process. See guidance on HUD's website at: [http://www.hud.gov/offices/pih/centers/sac/demo\\_dispo/index.cfm](http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm)  
**Note:** This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed.
- (c) **Conversion of Public Housing.** With respect to public housing owned by a PHA: 1) A description of any building or buildings (including project number and unit count) that the PHA is required to convert to tenant-based assistance or

that the public housing agency plans to voluntarily convert; 2) An analysis of the projects or buildings required to be converted; and 3) A statement of the amount of assistance received under this chapter to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>

- (d) **Homeownership.** A description of any homeownership (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval.
- (e) **Project-based Vouchers.** If the PHA wishes to use the project-based voucher program, a statement of the projected number of project-based units and general locations and how project basing would be consistent with its PHA Plan.

**8.0 Capital Improvements.** This section provides information on a PHA's Capital Fund Program. With respect to public housing projects owned, assisted, or operated by the public housing agency, a plan describing the capital improvements necessary to ensure long-term physical and social viability of the projects must be completed along with the required forms. Items identified in 8.1 through 8.3, must be signed where directed and transmitted electronically along with the PHA's Annual Plan submission.

**8.1 Capital Fund Program Annual Statement/Performance and Evaluation Report.** PHAs must complete the *Capital Fund Program Annual Statement/Performance and Evaluation Report* (form HUD-50075.1), for each Capital Fund Program (CFP) to be undertaken with the current year's CFP funds or with CFFP proceeds. Additionally, the form shall be used for the following purposes:

- (a) To submit the initial budget for a new grant or CFFP;
- (b) To report on the Performance and Evaluation Report progress on any open grants previously funded or CFFP; and
- (c) To record a budget revision on a previously approved open grant or CFFP, e.g., additions or deletions of work items, modification of budgeted amounts that have been undertaken since the submission of the last Annual Plan. The Capital Fund Program Annual Statement/Performance and Evaluation Report must be submitted annually.

Additionally, PHAs shall complete the Performance and Evaluation Report section (see footnote 2) of the *Capital Fund Program Annual Statement/Performance and Evaluation* (form HUD-50075.1), at the following times:

1. At the end of the program year; until the program is completed or all funds are expended;
2. When revisions to the Annual Statement are made, which do not require prior HUD approval, (e.g., expenditures for emergency work, revisions resulting from the PHAs application of fungibility); and
3. Upon completion or termination of the activities funded in a specific capital fund program year.

**8.2 Capital Fund Program Five-Year Action Plan**

PHAs must submit the *Capital Fund Program Five-Year Action Plan* (form HUD-50075.2) for the entire PHA portfolio for the first year of participation in the CFP and annual update thereafter to eliminate the previous year and to add a new fifth year (rolling basis) so that the form always covers the present five-year period beginning with the current year.

**8.3 Capital Fund Financing Program (CFFP).** Separate, written HUD approval is required if the PHA proposes to pledge any

portion of its CFP/RHF funds to repay debt incurred to finance capital improvements. The PHA must identify in its Annual and 5-year capital plans the amount of the annual payments required to service the debt. The PHA must also submit an annual statement detailing the use of the CFFP proceeds. See guidance on HUD's website at:

<http://www.hud.gov/offices/pih/programs/ph/capfund/cffp.cfm>

**9.0 Housing Needs.** Provide a statement of the housing needs of families residing in the jurisdiction served by the PHA and the means by which the PHA intends, to the maximum extent practicable, to address those needs. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**

**9.1 Strategy for Addressing Housing Needs.** Provide a description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**

**10.0 Additional Information.** Describe the following, as well as any additional information requested by HUD:

- (a) **Progress in Meeting Mission and Goals.** PHAs must include (i) a statement of the PHAs progress in meeting the mission and goals described in the 5-Year Plan; (ii) the basic criteria the PHA will use for determining a significant amendment from its 5-year Plan; and a significant amendment or modification to its 5-Year Plan and Annual Plan. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**
- (b) **Significant Amendment and Substantial Deviation/Modification.** PHA must provide the definition of "significant amendment" and "substantial deviation/modification". **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan.)**

- (c) PHAs must include or reference any applicable memorandum of agreement with HUD or any plan to improve performance. **(Note: Standard and Troubled PHAs complete annually).**

**11.0 Required Submission for HUD Field Office Review.** In order to be a complete package, PHAs must submit items (a) through (g), with signature by mail or electronically with scanned signatures. Items (h) and (i) shall be submitted electronically as an attachment to the PHA Plan.

- (a) Form HUD-50077, *PHA Certifications of Compliance with the PHA Plans and Related Regulations*
- (b) Form HUD-50070, *Certification for a Drug-Free Workplace (PHAs receiving CFP grants only)*
- (c) Form HUD-50071, *Certification of Payments to Influence Federal Transactions (PHAs receiving CFP grants only)*
- (d) Form SF-LLL, *Disclosure of Lobbying Activities (PHAs receiving CFP grants only)*
- (e) Form SF-LLL-A, *Disclosure of Lobbying Activities Continuation Sheet (PHAs receiving CFP grants only)*
- (f) Resident Advisory Board (RAB) comments.
- (g) Challenged Elements. Include any element(s) of the PHA Plan that is challenged.
- (h) Form HUD-50075.1, *Capital Fund Program Annual Statement/Performance and Evaluation Report (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.1.
- (i) Form HUD-50075.2, *Capital Fund Program Five-Year Action Plan (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.2.

## **Report on Progress of Goals and Objectives 2010**

### **Expand Affordable Housing – Objectives;**

Applied for additional vouchers did not receive an allocation

Reduce Public housing vacancies – vacancies came down the last part of the year.

The Housing Authority worked at using private banks and equity investors in building new units only to have interest rates are too high to cash flow a project

The Whitetail Run project hit its 75% completed mark in 2010 and has now used 100% of its TCAP funds and is scheduled to occupy in 45 days.

The PHA will assess need and funding sources for next project in Whitetail Square.

The PHA applied for five new Shelter Plus care Units and is waiting to hear on award.

First year of 35 VASH Voucher Implementation

### **Improve the quality of assisted housing – Objectives:**

The PHA was again a High Performer with a score of 96%

The PHA was again a High Performer with a score of 100%

The PHA increases resident appreciation with improvements to the PHA properties

The PHA has made several management changes in the public housing program to improve accuracy and program efficiencies, and to shorten turnaround time

Public housing units are continually modernized

Staff was trained on new and upcoming regulations through NAHRO, AMAHA, HUD is management, frontline and maintenance staff trainings.

The staff finished the Section 8 administrative Plan

Continued conversion to asset management, may need to address additional Amps to satisfy requirement for asset management fees

Reviewed and attended trainings and discussions on conversion to project based units

### **Increase assessed housing choice-Objectives:**

The PHA continues to provide mobility counseling in groups and individually

The PHA keeps up assessed current rents and increased payment standards to allow access to citywide neighborhoods

There were 3 new Homeownership Section 8 clients this year.

Payment standard were assessed to stay within budget when voucher PUC increased

### **Provide improved living environment – Objectives:**

Continued first come first served policy to keep populations mixed and deconcentrate poverty

The PHA provided information on employment opportunities, self sufficiency program and housing counseling and credit counseling for residents.

The PHA informed elderly and disabled residents about links to community supportive services.

Surveyed client job skills for use in referrals for Section 3 opening with our contractors

### **Ensure equal Opportunity and affirmatively further fair housing – Objectives**

The PHA has undertaken Outreach to protective classes informing them through the news media our website and direct mailings to agencies and services that connect with them, informing them of the accessible units we have to offer and encouraging them to be places on our waiting lists.

The PHA remodeled and filled to public housing units for accessibility and has several shower installations to ensure access is suitable for our clients.

Currently 32 unit of universal design on the bottom floors and 3 fully handicap units have been designed for the

The PHA continues to assign a staff member to the Community Housing Resource board.

The Montana fair Housing Organization did training for the entire staff in August of 2010, and four staff members are currently attending Fair Housing training in BUTTE this week.

Clients are notified in the PHA newsletter about their responsibilities to Fair Housing and the consequences of not abiding by the laws.

**Other PHA Goals – Objectives:**

New computers and software have been purchased to ensure management and front line staff can keep up to date with the demands of their positions.

Cellular equipment has been upgraded and the maintenance radio lease eliminated.

**RESOLUTION NO. 785**

**ADOPTING A REVISION TO THE  
CAPITAL FUND 2009 ARRA GRANT  
Revision #1**

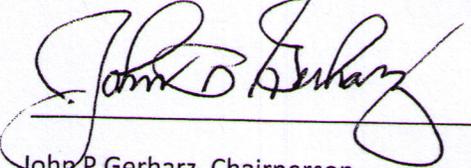
WHEREAS, the Executive Director has submitted a Capital Fund 2009 ARRA Budget that was approved by H.U.D.

WHEREAS, there are certain expenditures and line items which require adjustment, and

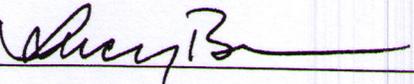
WHEREAS, the Board has determined that the proposed expenditures are necessary in the efficient and economical operation of the Housing Authority for the purpose of serving low-income families,

NOW THEREFORE BE IT RESOLVED that the Board of Commissions does hereby approve the Capital Fund 2009 ARRA Budget Revision No.1

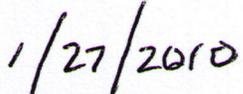
ACCDEPTED BY:

  
John P Gerharz, Chairperson

(seal)

  
\_\_\_\_\_

Secretary

  
\_\_\_\_\_

Date

CAPITAL FUND 2009 ARRA  
BUDGET REVISION #1  
JANUARY 2010

Reduce Budget Amounts:

|                                |              |
|--------------------------------|--------------|
| 1408 – Management Improvements | \$ 30,000.00 |
| 1410 – Administration          | \$ 18,415.00 |
| 1430 – A & E                   | \$ 11,466.00 |
| 1460 – Roofs                   | \$ 43,157.00 |
| 1465.1 – Furnaces              | \$ 7,370.00  |
| 1465.1 – Water Heaters         | \$ 1,369.00  |

Total Reductions \$111,777.00

Increase Budget Amounts:

1460 – Siding and Sheds \$111,777.00

Total Additions \$111,777.00

**RESOLUTION NO. 803**

**ADOPTING A REVISION TO THE  
CAPITAL FUND 2009 ARRA GRANT  
Revision #2**

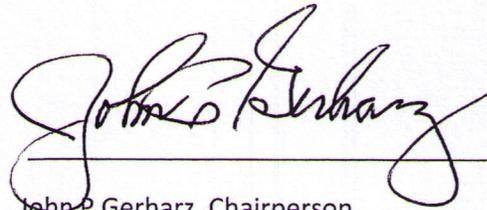
WHEREAS, the Executive Director has submitted a Capital Fund 2009 ARRA Budget that was approved by H.U.D.

WHEREAS, there are certain expenditures and line items which require adjustment, and

WHEREAS, the Board has determined that the proposed expenditures are necessary in the efficient and economical operation of the Housing Authority for the purpose of serving low-income families,

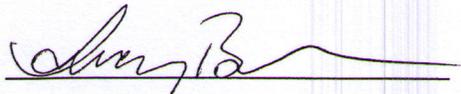
NOW THEREFORE BE IT RESOLVED that the Board of Commissions does hereby approve the Capital Fund 2009 ARRA Budget Revision No.2

ACCCEPTED BY:



John P Gerharz, Chairperson

(seal)



Secretary

6/30/10

Date

CAPITAL FUND 2009 ARRA  
BUDGET REVISION #2  
June 2010

Reduce Budget Amounts:

|                       |           |
|-----------------------|-----------|
| 1410 – Administration | \$ 664.00 |
| 1460 – Siding & Sheds | \$ 94.00  |
| Total Reductions      | \$ 758.00 |

Increase Budget Amounts:

|                 |           |
|-----------------|-----------|
| 1430 – A & E    | \$ 758.00 |
| Total Additions | \$ 758.00 |

**RESOLUTION NO. 770**

**ADOPTING A REVISION TO THE  
CAPITAL FUND 2007 GRANT  
Revision #6**

WHEREAS, the Executive Director has submitted a Capital Fund 2007 Budget that was approved by H.U.D.

WHEREAS, there are certain expenditures and line items which require adjustment, and

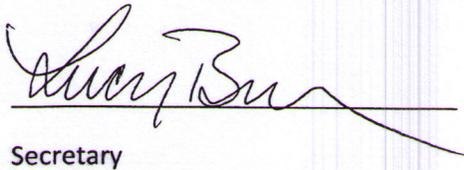
WHEREAS, the Board has determined that the proposed expenditures are necessary in the efficient and economical operation of the Housing Authority for the purpose of serving low-income families,

NOW THEREFORE BE IT RESOLVED that the Board of Commissions does hereby approve the Capital Fund 2007 Budget Revision No. 6

ACCDEPTED BY:

  
\_\_\_\_\_  
John P Gerharz, Chairperson

(seal)

  
\_\_\_\_\_  
Secretary

9/30/09  
\_\_\_\_\_  
Date

**CAPITAL FUND 2007  
REVISION #6  
SEPTEMBER 2009**

**ITEMS TO INCREASE BUDGET:**

|                  |                               |            |
|------------------|-------------------------------|------------|
| 1410             | 07-00-01 ADMINISTRATION       | \$ 73.00   |
| 1430             | 07-00-03 ARCHITECHTURAL FEES  | \$964.00   |
| 1460             | 07-00-09 GARAGE DOOR & WINDOW | \$204.00   |
| 1460             | 07-02-01 FLOORING             | \$876.00   |
| 1460             | 07-00-07 BATHROOM REHAB       | \$907.00   |
| TOTAL INCREASES: |                               | \$3,024.00 |

**ITEM TO DECREASE BUDGET:**

|                   |                                   |            |
|-------------------|-----------------------------------|------------|
| 1460              | 07-00-08 CABINETS                 | \$ 98.00   |
| 1450              | 07-00-06 PARKING LOT ANC CONCRETE | \$1,607.00 |
| 1460              | 07-07-01 COMMUNITY ROOM UPDATE    | \$ 114.00  |
| 1460              | 07-00-10 CABINETS                 | \$1,205.00 |
| TOATAL INCREASES: |                                   | \$3,024.00 |

**RESOLUTION NO. 768**

**ADOPTING A REVISION TO THE  
CAPITAL FUND 2008 GRANT  
Revision #2**

WHEREAS, the Executive Director has submitted a Capital Fund 2008 Budget that was approved by H.U.D.

WHEREAS, there are certain expenditures and line items which require adjustment, and

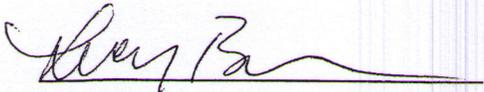
WHEREAS, the Board has determined that the proposed expenditures are necessary in the efficient and economical operation of the Housing Authority for the purpose of serving low-income families,

NOW THEREFORE BE IT RESOLVED that the Board of Commissions does hereby approve the Capital Fund 2008 Budget Revision No. 2

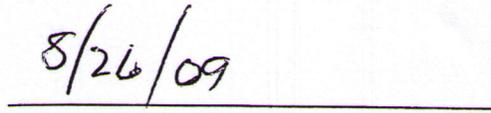
ACCDEPTED BY:

  
John P Gerharz, Chairperson

(seal)



Secretary



Date

**CAPITAL FUND 2008  
REVISION #2  
AUGUST 2009**

**ITEMS TO DECREASE BUDGET:**

|      |                     |             |
|------|---------------------|-------------|
| 1406 | 08-00-01 OPERATIONS | \$54,086.00 |
|------|---------------------|-------------|

**ITEMS TO ADD TO BUDGET**

|      |                           |             |
|------|---------------------------|-------------|
| 1460 | 08-02-03 SIDING AND SHEDS | \$54,086.00 |
|------|---------------------------|-------------|

**RESOLUTION NO. 796**

**ADOPTING A REVISION TO THE  
CAPITAL FUND 2008 GRANT  
Revision #3**

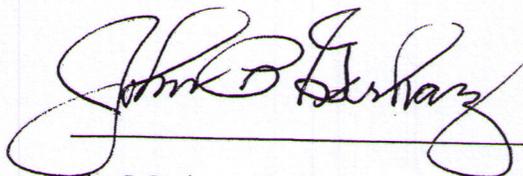
WHEREAS, the Executive Director has submitted a Capital Fund 2008 Budget that was approved by H.U.D.

WHEREAS, there are certain expenditures and line items which require adjustment, and

WHEREAS, the Board has determined that the proposed expenditures are necessary in the efficient and economical operation of the Housing Authority for the purpose of serving low-income families,

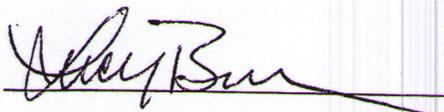
NOW THEREFORE BE IT RESOLVED that the Board of Commissions does hereby approve the Capital Fund 2008 Budget Revision No. 3

ACCDEPTED BY:



John P Gerharz, Chairperson

(seal)



Secretary

May 5, 2010

Date

**CAPITAL FUND 2008  
REVISION #3  
APRIL 2010**

**ITEMS TO DECREASE BUDGET:**

|                  |                                |             |
|------------------|--------------------------------|-------------|
| 1410             | 08-00-02 Administration        | \$ 5,956.00 |
| 1465             | 08-00-04 Furnace Replacement   | \$ 910.00   |
| 1460             | 08-00-06 Deadbolts for Storage | \$ 1,632.00 |
| 1450             | 08-00-09 Fence                 | \$ 2,664.00 |
| 1460             | 08-00-11 Garage Doors          | \$ 210.00   |
| 1460             | 08-00-12 Drop Ceilings         | \$ 570.00   |
| 1460             | 08-02-02 FIC Flooring          | \$ 1,215.00 |
| 1460             | 08-02-03 Siding and Sheds      | \$11,852.00 |
| Total Decreases: |                                | \$25,009.00 |

**ITEMS TO INCREASE BUDGET**

|                  |                              |             |
|------------------|------------------------------|-------------|
| 1460             | 08-00-05 Cabinets and Tops   | \$ 3,933.00 |
| 1460             | 08-00-07 Flooring            | \$ 3,834.00 |
| 1460             | 08-00-08 Decks               | \$ 5,988.00 |
| 1450             | 08-00-13 Fence.              | \$11,107.00 |
| 1460             | 08-02-01 FIC Windows         | \$ 105.00   |
| 1460             | 08-07-01 Die Electric Unions | \$ 42.00    |
| Total Increases: |                              | \$25,009.00 |

**RESOLUTION NO. 771**

**ADOPTING A REVISION TO THE  
CAPITAL FUND 2009 GRANT  
Revision #1**

WHEREAS, the Executive Director has submitted a Capital Fund 2009 Budget that was approved by H.U.D.

WHEREAS, there are certain expenditures and line items which require adjustment, and

WHEREAS, the Board has determined that the proposed expenditures are necessary in the efficient and economical operation of the Housing Authority for the purpose of serving low-income families,

NOW THEREFORE BE IT RESOLVED that the Board of Commissions does hereby approve the Capital Fund 2009 Budget Revision No.1

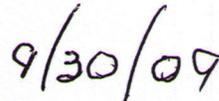
ACCDEPTED BY:

  
John P Gerharz, Chairperson

(seal)



Secretary



Date

CAPITAL FUND 2009  
BUGET REVISION #1  
SEPTEMBER 2009

|                                             |              |
|---------------------------------------------|--------------|
| Original Grant Amount                       | \$468,830.00 |
| Revised Grant Amount                        | \$484,022.00 |
| Difference                                  | \$ 14,192.00 |
| 1406 – Operations – reduce                  | \$ 59,000.00 |
| 1460 – Siding and Sheds MT 1-2 - add        | \$ 59,000.00 |
| 1475 – Auto Equipment – add to              | \$ 5,000.00  |
| 1460 – Storage Sheds – CF 09-02-02 – add to | \$ 9,192.00  |
| Total Addition                              | \$14,192.00  |

**RESOLUTION NO. 797**

**ADOPTING A REVISION TO THE  
CAPITAL FUND 2009 GRANT  
Revision #2**

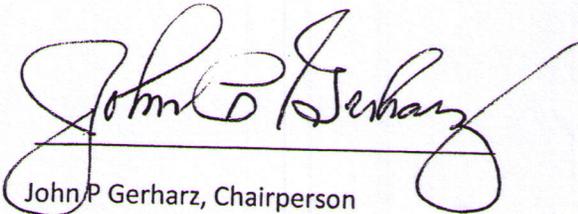
WHEREAS, the Executive Director has submitted a Capital Fund 2009 Budget that was approved by H.U.D.

WHEREAS, there are certain expenditures and line items which require adjustment, and

WHEREAS, the Board has determined that the proposed expenditures are necessary in the efficient and economical operation of the Housing Authority for the purpose of serving low-income families,

NOW THEREFORE BE IT RESOLVED that the Board of Commissions does hereby approve the Capital Fund 2009 Budget Revision No. 2

ACCDEPTED BY:

  
John P Gerharz, Chairperson

(seal)

  
Secretary

May 26, 2010

Date

CAPITAL FUND 2009  
BUGET REVISION #2  
MAY 2010

Add:

1408- Management Improvements \$ 4,900.00

Increase Budget:

1465 - 09-00-05 Appliance Replacement \$ 4,172.00

1475 - 09-00-08 Auto Equipment \$ 5,394.00

1450 - 09-00-09 Concrete Mow Strips \$ 22,738.00

Decrease Budget:

1450 - 09-00-07 Landscape \$ 9,828.00

1460 - 09-02-01 Concrete Steps \$ 25,000.00

1465 - 09-03-01 Refrigerator Replacement \$ 2,376.00

Total Budget Revision \$37,204.00

Amount related to Energy Conservation = +\$1,796.00

**RESOLUTION NO. 802**

**ADOPTING A REVISION TO THE**

**CAPITAL FUND 2010 GRANT**

**Revision #1**

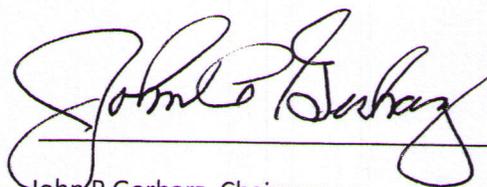
WHEREAS, the Executive Director has submitted a Capital Fund 2010 Budget that was approved by H.U.D.

WHEREAS, there are certain expenditures and line items which require adjustment, and

WHEREAS, the Board has determined that the proposed expenditures are necessary in the efficient and economical operation of the Housing Authority for the purpose of serving low-income families,

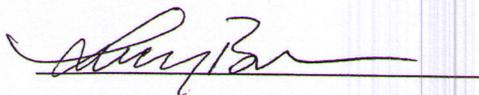
NOW THEREFORE BE IT RESOLVED that the Board of Commissions does hereby approve the Capital Fund 2010 Budget Revision No. 1

ACCDEPTED BY:



John P Gerharz, Chairperson

(seal)



Secretary

June 30, 2010

Date

CAPITAL FUND 2010  
BUGET REVISION #1  
JUNE 2010

|                  |                     |
|------------------|---------------------|
| Estimated Budget | \$522,742.00        |
| Actual Budget    | <u>\$479,486.00</u> |
| Difference       | \$ 43,256.00        |

Reduce Budget Amounts:

|                       |                  |
|-----------------------|------------------|
| 1406 – Operations     | \$ 42,802.00     |
| 1410 – Administration | <u>\$ 454.00</u> |
| Total Reductions      | \$43,256.00      |

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 3/31/2014

**Part I: Summary**

|                                                   |                                                                                                                                      |                                                               |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| <b>PHA Name:</b><br>Housing Authority of Billings | <b>Grant Type and Number</b><br>Capital Fund Program Grant No: MT046P0015111<br>Replacement Housing Factor Grant No:<br>Date of CFP: | <b>FFY of Grant:</b><br>2011<br><b>FFY of Grant Approval:</b> |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|

| Line | Type of Grant<br><input checked="" type="checkbox"/> Original Annual Statement<br><input type="checkbox"/> Performance and Evaluation Report for Period Ending:<br>Summary by Development Account | Reserve for Disasters/Emergencies<br><input type="checkbox"/> Reserve for Disasters/Emergencies | Original | Total Estimated Cost |           | Total Actual Cost <sup>1</sup> |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|----------|----------------------|-----------|--------------------------------|
|      |                                                                                                                                                                                                   |                                                                                                 |          | Revised <sup>2</sup> | Obligated |                                |
| 1    | Total non-CFP Funds                                                                                                                                                                               |                                                                                                 |          |                      |           |                                |
| 2    | 1406 Operations (may not exceed 20% of line 21) <sup>3</sup>                                                                                                                                      |                                                                                                 | 75000    |                      |           |                                |
| 3    | 1408 Management Improvements                                                                                                                                                                      |                                                                                                 |          |                      |           |                                |
| 4    | 1410 Administration (may not exceed 10% of line 21)                                                                                                                                               |                                                                                                 | 48402    |                      |           |                                |
| 5    | 1411 Audit                                                                                                                                                                                        |                                                                                                 | 7100     |                      |           |                                |
| 6    | 1415 Liquidated Damages                                                                                                                                                                           |                                                                                                 |          |                      |           |                                |
| 7    | 1430 Fees and Costs                                                                                                                                                                               |                                                                                                 |          |                      |           |                                |
| 8    | 1440 Site Acquisition                                                                                                                                                                             |                                                                                                 |          |                      |           |                                |
| 9    | 1450 Site Improvement                                                                                                                                                                             |                                                                                                 | 97500    |                      |           |                                |
| 10   | 1460 Dwelling Structures                                                                                                                                                                          |                                                                                                 | 187400   |                      |           |                                |
| 11   | 1465.1 Dwelling Equipment—Nonexpendable                                                                                                                                                           |                                                                                                 | 35000    |                      |           |                                |
| 12   | 1470 Non-dwelling Structures                                                                                                                                                                      |                                                                                                 | 10000    |                      |           |                                |
| 13   | 1475 Non-dwelling Equipment                                                                                                                                                                       |                                                                                                 |          |                      |           |                                |
| 14   | 1485 Demolition                                                                                                                                                                                   |                                                                                                 |          |                      |           |                                |
| 15   | 1492 Moving to Work Demonstration                                                                                                                                                                 |                                                                                                 |          |                      |           |                                |
| 16   | 1495.1 Relocation Costs                                                                                                                                                                           |                                                                                                 |          |                      |           |                                |
| 17   | 1499 Development Activities <sup>4</sup>                                                                                                                                                          |                                                                                                 |          |                      |           |                                |

<sup>1</sup> To be completed for the Performance and Evaluation Report  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFP Grants for operations.  
<sup>4</sup> RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report  
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and  
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 OMB No. 2577-0226  
 Expires 4/30/2011

**Part I: Summary**

|                                                      |                                                                                                                                       |                                                               |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| <b>PHA Name:</b><br>Housing Authority<br>of Billings | <b>Grant Type and Number</b><br>Capital Fund Program Grant No: MT046P0015111<br>Replacement Housing Factor Grant No:<br>Date of CFFP: | <b>FFY of Grant:</b><br>2011<br><b>FFY of Grant Approval:</b> |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|

| Line                                                         | Summary by Development Account                                           | Total Estimated Cost  |                      | Total Actual Cost <sup>1</sup>                                 |          |
|--------------------------------------------------------------|--------------------------------------------------------------------------|-----------------------|----------------------|----------------------------------------------------------------|----------|
|                                                              |                                                                          | Original              | Revised <sup>2</sup> | Obligated                                                      | Expended |
| 18a                                                          | 1501 Collateralization or Debt Service paid by the PHA                   |                       |                      |                                                                |          |
| 18ba                                                         | 9000 Collateralization or Debt Service paid Via System of Direct Payment |                       |                      |                                                                |          |
| 19                                                           | 1502 Contingency (may not exceed 8% of line 20)                          |                       |                      |                                                                |          |
| 20                                                           | Amount of Annual Grant: (sum of lines 2 - 19)                            |                       |                      |                                                                |          |
| 21                                                           | Amount of line 20 Related to LBP Activities                              |                       |                      |                                                                |          |
| 22                                                           | Amount of line 20 Related to Section 504 Activities                      |                       |                      |                                                                |          |
| 23                                                           | Amount of line 20 Related to Security - Soft Costs                       |                       |                      |                                                                |          |
| 24                                                           | Amount of line 20 Related to Security - Hard Costs                       |                       |                      |                                                                |          |
| 25                                                           | Amount of line 20 Related to Energy Conservation Measures                | 197400                |                      |                                                                |          |
| <b>Signature of Executive Director</b><br><i>Steve Brown</i> |                                                                          | <b>Date</b><br>197400 |                      | <b>Signature of Public Housing Director</b><br><br><b>Date</b> |          |

<sup>1</sup> To be completed for the Performance and Evaluation Report.  
<sup>2</sup> To be completed for the Performance and Evaluation Report or a Revised Annual Statement.  
<sup>3</sup> PHAs with under 250 units in management may use 100% of CFF Grants for operations.  
<sup>4</sup> RHF funds shall be included here.









**Capital Fund Program—Five-Year Action Plan**

U.S. Department of Housing and Urban Development  
 Office of Public and Indian Housing  
 Expires 4/30/2011

| <b>Part I: Summary</b>                                               |                                                                                   |                                                                             |                                              |                                              |                                                                                                |                                              |
|----------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|------------------------------------------------------------------------------------------------|----------------------------------------------|
| PHA Name/Number <b>Housing Authority of Billings - MT06P00150111</b> |                                                                                   | Locality (City/County & State) <b>Billings, Yellowstone County, Montana</b> |                                              |                                              | <input checked="" type="checkbox"/> Original 5-Year Plan <input type="checkbox"/> Revision No: |                                              |
| A.                                                                   | Development Number and Name – <b>Housing Authority of Billings – MT06P0015111</b> | Work Statement for Year 1<br>FFY <b>2011</b>                                | Work Statement for Year 2<br>FFY <b>2012</b> | Work Statement for Year 3<br>FFY <b>2013</b> | Work Statement for Year 4<br>FFY <b>2014</b>                                                   | Work Statement for Year 5<br>FFY <b>2015</b> |
| B.                                                                   | Physical Improvements Subtotal                                                    | Annual Statement                                                            | 342200                                       | 225000                                       | 308900                                                                                         | 175000                                       |
| C.                                                                   | Management Improvements                                                           |                                                                             |                                              |                                              |                                                                                                |                                              |
| D.                                                                   | PHA-Wide Non-dwelling Structures and Equipment                                    |                                                                             | 0                                            | 68600                                        | 19500                                                                                          | 112000                                       |
| E.                                                                   | Administration                                                                    |                                                                             | 48402                                        | 48402                                        | 48402                                                                                          | 48402                                        |
| F.                                                                   | Audit                                                                             |                                                                             | 7200                                         | 7400                                         | 7500                                                                                           | 7600                                         |
| G.                                                                   | Operations                                                                        |                                                                             | 60000                                        | 50000                                        | 40000                                                                                          | 40000                                        |
|                                                                      | A & E                                                                             |                                                                             |                                              | 15000                                        |                                                                                                | 18000                                        |
| H.                                                                   | Demolition                                                                        |                                                                             |                                              |                                              |                                                                                                |                                              |
| I.                                                                   | Development                                                                       |                                                                             |                                              |                                              |                                                                                                |                                              |
| J.                                                                   | Capital Fund Financing – Debt Service                                             |                                                                             |                                              |                                              |                                                                                                |                                              |
| K.                                                                   | Total CFP Funds                                                                   |                                                                             |                                              |                                              |                                                                                                |                                              |
| L.                                                                   | Total Non-CFP Funds                                                               |                                                                             |                                              |                                              |                                                                                                |                                              |
| M.                                                                   | Grand Total                                                                       |                                                                             | 457802                                       | 414402                                       | 424302                                                                                         | 401002                                       |











# FY2011-2012 Year Two

*of the FY2010-2014  
Consolidated Plan*

## City of Billings One-Year Consolidated Plan



Community Development Division  
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Billings, Montana 59103

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## **SECTION ONE - Executive Summary**

Five-year Consolidated Plans and one-year action plans are required by the U.S. Department of Housing and Urban Development (HUD) for the City of Billings to participate in and receive funding through the Community Development Block Grant (CDBG) and HOME Investment Partnership Programs (HOME).

The City of Billings, acting primarily through the Community Development Division, will continue to act as the lead agency for administration of the City's CDBG and HOME Program activities targeted to meet the goals of the Consolidated Plan. The City works closely with the Housing Authority of Billings, nonprofit organizations, private developers, lending institutions, and neighborhood groups to garner feedback on proposed strategies and also to meet the goals established in this Consolidated Plan.

Consolidated planning activities are also required for homeless programs funded under the McKinney-Vento Homeless Assistance Act and the Housing Opportunities for Persons with AIDS (HOPWA) Program. The City does not receive McKinney funds or HOPWA funds directly. Separate Consolidated Plans are prepared by the City of Great Falls, the City of Missoula, and the State of Montana for non-entitlement areas of the state. The structure and content of this plan are based on specific HUD requirement for the preparation of the Consolidated Plan. Many terms used in this document are specific to the Consolidated Plan process and HUD programs. The reader may consult with the City of Billings - Community Development Division for additional information.

Focused on CDBG and HOME activities, the Consolidated Plan combines 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:

1. **To provide decent housing**, including maintaining the affordable housing stock in the community, increasing the availability of permanent housing that is affordable to lower-income households without discrimination, increasing support of housing which enables persons with special needs to live independently, and assisting homeless persons obtain affordable housing.
2. **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 income groups 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.
3. **To expand economic opportunities**, including creating jobs accessible to lower-income individuals, providing access to credit for community development activities which promote long-term economic and social viability, and empowering lower-income persons living in federally assisted and public housing to achieve self-sufficiency.

**All activities undertaken by the City utilizing CDBG and HOME funding must primarily benefit low and moderate income persons.** The strategies described in the Consolidated Plan 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 in the plan.

### *Purpose of the Consolidated Plan*

The purpose of the Consolidated Plan is to identify the housing and community development needs of low-income households in Billings and develop strategies for addressing those needs in a comprehensive, coordinated fashion utilizing available federal and nonfederal resources.

Consolidated plans are developed every five years and must be submitted to HUD not less than 45 days prior to the start of the grantee's program year start date (July 1 for the City). The City's five-year Consolidated Plan for FY2010-2014 identifies activities to be carried out from July 1, 2010 through June 30, 2015 to address priority needs in the community and serves as a guiding document for the use of the City's CDBG Program and HOME funding.

This document constitutes the City's one-year Annual Action Plan for FY2011-2012 which identifies goals and strategies to be undertaken from July 1, 2011 through June 30, 2012. While both documents contain similar information, a more detailed presentation of needs and overarching strategies is described in the five-year plan. The Annual Action Plan describes identified resources to be utilized during the program year, which is not identified in the five-year plan. The City must also report on the performance of activities funded via the Comprehensive Annual Performance Evaluation Report (CAPER) in September of each year.

The FY2010-2014 Consolidated Plan and the FY2011-2012 Annual Action Plan followed a development process which integrated priorities identified in the 2009 Billings Housing Needs Assessment and the Analysis of Impediments to Fair Housing Choice. The development process also included input from neighborhood groups and public hearings on housing and community development needs, relative to findings from both data studies.

The FY2010-2014 Consolidated Plan and the FY2011-2012 Annual Action Plan was open for public comment extending from March 25, 2011 through April 25, 2011. A public hearing was held on April 25, 2011 during the Billings City Council meeting to accept public comments on the Annual Action Plan, and Community Development Board recommendations for funding allocation. The plan was adopted by the Billings City Council on April 25, 2011.

### *HUD Objectives and Outcomes*

HUD has developed specific performance measurements for each activity undertaken utilizing CDBG and / or HOME funding. The City's application process for funding through these programs includes identification of HUD objectives and outcomes to ensure compliance with activity requirements.

| <b>HUD PERFORMANCE MEASUREMENTS</b> |                               |
|-------------------------------------|-------------------------------|
| <i>Objectives</i>                   | <i>Outcomes</i>               |
| Suitable Living Environment         | Availability or Accessibility |
| Decent Housing                      | Affordability                 |
| Economic Opportunities              | Sustainability                |

### Past Performance

The City - Community Development Division receives comments from HUD regarding action plans and performance annually. Overall evaluations conclude the City's CDBG and HOME programs are making strides in providing affordable housing and addressing community needs. Please refer to the latest Comprehensive Annual Evaluation Report (CAPER) for an analysis of the City's performance on Consolidated Plan goals for recent years and the resources utilized to meet objectives established ([www.ci.billings.mt.us](http://www.ci.billings.mt.us)).

### Community Development Division Vision / Mission

*Vision:* The Community Development Division acts as a catalyst for joining community partners with resources to increase access to housing, to create a sustainable community, and to promote neighborhood revitalization.

*Mission:* The Community Development Division strives to exceed the expectations of our stakeholders by supporting our housing and community partners with quality leadership, accountability, and innovative programs and services.

### Report Standards

All reports generated by the Community Development Division are based on studies and data, the identification of needs and priorities, identifying obstacles and barriers to meeting those needs, and creating objectives and strategies to meet identified needs.



## SECTION TWO - Consultation & Coordination

91.200 (b) & 91.215(l)

### General

91.100(a)(1)

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 Plan. 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, persons with HIV / AIDS and their families, and homeless individuals and families.

The Consolidated Plan is distributed widely during the public comment period and interested persons can attend a number of staff-facilitated, regularly scheduled meetings to find out more about Community Development initiatives. Routine meetings are facilitated through staff for the Community Development Board, the Adjacent Neighborhood Committee, the Billings Partners for American Indian Homeownership, the Affordable Housing Task Force, the Billings Area Resource Network and the Mayor's Committee on Homelessness. Additional information regarding these groups can be found throughout the Consolidated Plan.

The City impacts new and existing housing development and neighborhood revitalization through neighborhood planning, development standards, capital improvement programs, the Annexation Policy, and the Growth Policy.

### Regulation Citations

Throughout the Consolidated Plan, staff members have identified regulatory citations for the Code of Federal Regulations (CFR), shown in italics. The code references are located in sections of the Consolidated Plan required by regulation.

### Homeless Strategy & Housing Opportunities for Persons with AIDS

91.100(a)(2) & 91.100(b)

Public and private agencies have assisted the City in developing a ten-year plan to impact homelessness, *Welcome Home Billings*. Local organizations that provide housing, health services, and social services have been intricately involved in planning processes for the homeless and chronically homeless, including members of the *Mayor's Committee on Homelessness* and the *Billings Area Resource Network*. The City does not receive Housing Opportunities for Persons with AIDS (HOPWA) funding directly, but collaborates with the *Yellowstone AIDS Project* to implement goals and objectives to support HOPWA funding.

### Adjacent Governments

91.100(a)(4)

Communication regarding non-housing community development needs is conducted via collaboration through homeless initiatives and agencies serving the disabled. Adjacent governments include: the State Department of Public Health and Human Services; homeless presentation regarding the City's ten-year plan to impact homelessness, *Welcome Home Billings*, to the Yellowstone County Commissioners; and communication and recommendations to the State Continuum of Care coordination group.

Collaboration regarding economic development initiatives includes communication with the Big Sky Economic Development Authority, the Native American Development Corporation and other development agencies.

### *Metropolitan Planning*

91.100(a)(5)

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, Transportation Plan and Neighborhood Plans collectively. All projects are reviewed for residential access to public transportation.

### *Public Housing*

91.100(c)

The Housing Authority of Billings (HAB) is primarily responsible for administration of the public housing and Section 8 Programs for the community. HAB will continue to work on developing additional units of low-income housing in Billings. HAB is an independent organization established under the laws of the State of Montana. Board members for HAB are appointed by the Mayor for the City of Billings. The City enjoys a cooperative and collaborative relationship with HAB, including participation in task forces, committees, and affordable housing development.

## ***Citizen Participation Plan***

91.200(b)

The Citizen Participation Plan for the City is designed to ensure citizen involvement in the planning and reporting on the City's programs covered under the HUD Consolidated Plan requirements. The purpose of the Citizen Participation Plan is to ensure that citizens, nonprofit organizations, and other interested parties are afforded adequate opportunity to review and comment on plans, programs, activities and reports regarding the City's federally funded housing and community development programs.

### ***Citizen Participation Plan Objectives***

The primary objectives of the City's Consolidated and Citizen Participation Plans are to:

- Encourage citizen participation in the development of the Consolidated Plan and the Comprehensive Annual Performance and Evaluation Report (CAPER) with emphasis on participation from individuals and households identified as low to moderate income, residents of blighted areas, minorities, those with limited English proficiency, the disabled, and those residing in areas where funding will be utilized.
- Provide citizens with reasonable and timely access to meetings, information and records relating to the City's plan for utilizing funding in addition to allowing reasonable opportunity to comment on the Consolidated Plan, the Citizen Participation Plan and the CAPER.
- Finalize consultation with the Housing Authority of Billings (HAB) on the development and implementation of the Consolidated Plan through the Annual Action Plan, which includes input from residents of public and assisted housing.
- Provide technical assistance to neighborhood task forces which represent the low to moderate income and the highest concentrations of minority populations in Billings.
- Provide public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program. All hearings and meetings shall be provided in areas where accommodations for the disabled can be provided.

### ***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 from lower-income neighborhoods of the City as defined by federal regulations for the Community Development Block Grant (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 primary responsibilities of the board are to review existing and proposed City policies and to review the Community Development Division's activities to ensure policies are being implemented and carried out.

The Community Development Board makes recommendations to the City Council regarding the Consolidated Plan, the Annual Action Plan, the Citizen Participation Plan, and the Comprehensive Annual Performance and Evaluation Report (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*

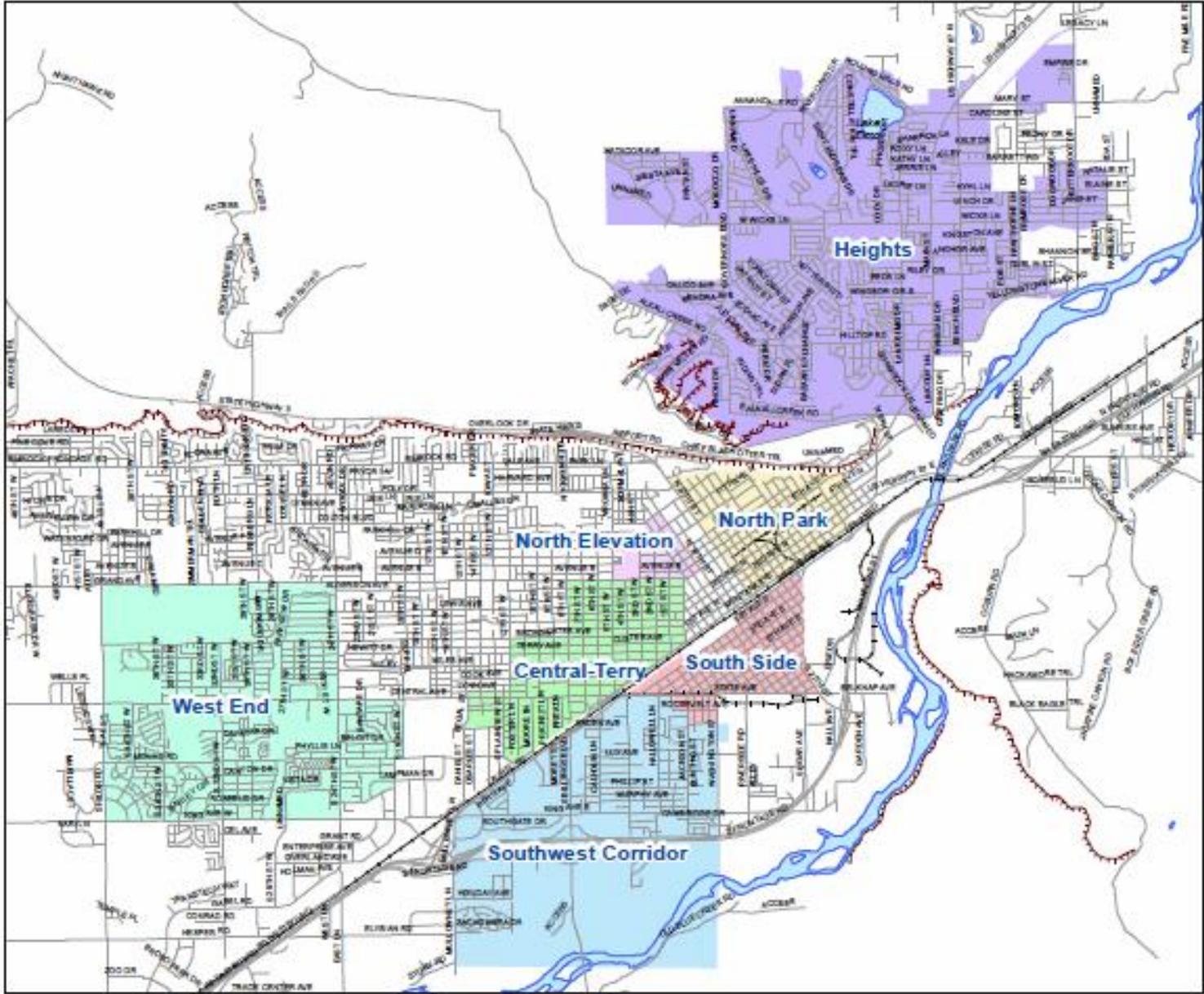
The Billings City Council is the final citizen policy body that reviews and takes action on the Annual Action Plan, including the Citizen Participation Plan. The Community Development Board presents recommendations to the City Council during a scheduled work session preceding the public hearing in April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

### *Neighborhood Task Forces Representing Low / Moderate Income Households*

In order to encourage citizen participation emphasizing the involvement of lower-income residents in areas where housing and community development funds may be spent, the City will continue to work with neighborhood organizations representing the City's lower-income areas. These areas are predominantly illustrated as established Task Force areas in Billings. A map of the City's lower-income areas is located on the following page.

The City will continue to work with neighborhood task forces that represent the community's lower-income areas to ensure input from these areas in the development and implementation of the City's community development strategies as described in the Consolidated Plan. The City will also continue to support the activities for the Adjacent Neighborhood Committee, which is comprised of Task Force Officers who meet bi-monthly to collaborate and exchange information regarding the task force areas. The Community Development Division supports task force functions through the distribution of monthly newsletters to over 1,400 recipients, by facilitating the Adjacent Neighborhood Committee, and by requesting project rankings from task force participants on housing and neighborhood activities for the annual allocation process.

The Community Development Division staff attends meetings of lower-income task force neighborhoods when requested for specific presentations. Staff also provides information regarding housing and community development programs and activities during each allocation process and garners rankings of housing / neighborhood activities preferred for funding.



## *Participation through Partnerships*

The Community Development Division's vision is to act as a catalyst for joining community partners with resources to increase access to housing, to create a sustainable community and to promote neighborhood revitalization. The Division's mission focuses on striving to exceed the expectations of our stakeholders by supporting housing and community partners with quality leadership, accountability, and innovative programs and services. Guiding values and principles include:

- Embracing diversity and being respectful of all viewpoints.
- Utilizing creativity to develop best practices in programs, administration, and community service.
- Recognizing that our first responsibility is to low and moderate income individuals who would most benefit from programs.
- Showing integrity as public servants to thoughtfully manage and pursue resources to the benefit of the community.

Establishing and maintaining partnerships with myriad organizations that support the community vision is the keystone to the Division's planning efforts. In addition to neighborhood task forces and the Adjacent Neighborhood Committee, the Community Development Division supports the following organizations and includes their input throughout the year:

- ***Affordable Housing Task Force*** – The Affordable Housing Task Force is comprised of lenders, realtors, the Housing Authority of Billings (HAB) local housing developers, and other organizations working in housing to ensure coordination and collaboration in identifying needs, undertaking actions to meet those needs, and evaluating activity effectiveness. The vision of the group is to successfully identify the housing needs of the community and provide expertise and innovative solutions to ensure attainable housing for all. Their mission is to work as a positive voice coordinating action, and organizing and energizing efforts to promote affordable housing in the Billings area.
- ***Billings Partners for American Indian Homeownership*** – The Billings Partners for American Indian Home Ownership (BPAIH) was formed in order to provide an organized approach to outreach and education for American Indians who would like to purchase a home. This group has identified a 26% American Indian homeownership rate compared to 67% for whites and 45% for blacks and Hispanics. Their vision is to increase American Indian private homeownership in the greater Billings community. This organization is comprised of lenders, realtors, housing organizations, credit counseling organizations, Indian Health Service, Yellowstone County Extension Office, and others.
- ***Mayor's Committee on Homelessness*** - The Mayor's Committee began meeting in June 2006 following Mayor Tussing's charge to develop a 10-Year Plan to address the needs of the chronically homeless in Billings. The development of this plan was part of a national movement to change the way in which communities address homelessness and was the first of its kind in Montana. To date, over 300 cities across the nation have committed to implementing 10-Year Plans to impact chronic homelessness. The Mayor's Committee includes representation from a broad stakeholder group including housing / service providers, civic / business leaders, economic / work force agencies, faith based / philanthropy groups, and other interested parties.
- ***Fair Housing Organizations*** – The City actively partners with organizations with an interest in fair housing and has facilitated several grant applications for the Fair Housing Initiative Program (FHIP) available competitively through HUD. The City was awarded this grant in 2006 for over

\$93,000. In 2007 and 2008 grant awards were made for over \$99,000 for each year. Previous partners and sub-recipients of FHIP funding include: homeWORD, the Community Housing Resource Board, Interfaith Hospitality Network, the Billings Partners for American Indian Homeownership and Yellowstone County Council on Aging in Billings.

### *Racial / Minority Participation*

The City's most concentrated minority populations are located in the Southside, Southwest Corridor, North Park, North Elevation, and Central – Terry Park Task Force neighborhoods. Outreach efforts include ongoing communication through task force newsletters, the Adjacent Neighborhood Committee, the Billings Partners for American Indian Homeownership, the Mayor's Committee on Homelessness, and the Billings Area Resource Network. Further details are located in Section Five - Geographic Data.

### *Persons with Disabilities & Reasonable Accommodation*

The City will provide accommodations for individuals with disabilities in public meetings, public hearings and in written documentation regarding programs and services available from the Division. Statements are included in notices of public hearings and service brochures indicating that office and hearing locations are accessible to persons with disabilities. Accommodations can be made for other disabilities as well.

### *Limited English Proficiency & Language Assistance Plan*

The City complies with federal regulations regarding the provision of a Language Assistance Plan in order to adequately provide for the needs of those individuals who have self-identified a primary language which is not English. Statements are included in notices of public hearings and service brochures regarding the availability of language interpretation for those requiring this accommodation.

### *Technical Assistance*

The Community Development Division provides technical assistance as requested and as staff time allows to lower income groups to develop proposals for housing and community development activities in the City limits. The technical assistance is offered any time proposals for the use of funding are requested, and is offered routinely in January prior to application deadlines for CDBG / HOME funding allocations.

### *Public Involvement & Consolidated Plan Review*

Citizen participation is the foundation of housing and community development programs. Reasonable efforts are made to make all citizens aware of public hearing and citywide events concerning the development of the Annual Action Plan.

City Council agendas covering housing and community development programs are made available to the public as required by Montana State Law. The City follows State Law governing advertising of public hearings required for CDBG and HOME activities. The City is required to advertise the public hearing on two consecutive Thursdays prior to the City Council Meeting on Monday or Tuesday in the event of a holiday.

Plans and reports on the City's housing and community development activities are made available for review by citizens, public agencies, and other interested parties. These documents are available at the Community Development Division and posted on its website at [www.ci.billings.mt.us](http://www.ci.billings.mt.us). All records regarding these activities are maintained according to the City Record Retention Schedule and as required by federal regulations.

### *Public Hearings*

The City holds three public hearings each year regarding housing and community development activities. The first public hearings are held each March by the Community Development Board to gather public input on the community and housing needs of Billings and strategies to meet those needs through Budget Hearings. The second public hearing is held by the City Council in April to provide nonprofit agencies, organizations, and individuals with an opportunity to provide input on the Consolidated Plan and the allocation of CDBG and HOME funds in the community. The third public hearing is held by the City Council in September to gather public input on the City's performance and progress in meeting the strategies included in the City's Five-Year Consolidated Plan and Annual Action Plan for the previous fiscal year ending each June 30<sup>th</sup>. All public hearings are accessible to disabled individuals, publicized as required by State law and allow for accommodation of individuals with hearing, visual, or mobility impairments.

### *Report & Plan Availability*

The availability of the reports and plans required under the Consolidated Plan is published in the local newspaper with complete copies available on the internet at [www.ci.billings.mt.us](http://www.ci.billings.mt.us) and at the City's Community Development Division. The public notice describes the contents and purpose of each document including the location at which the complete plan can be examined. Subrecipients, housing partners, and neighborhood task force chairpersons are contacted regarding the availability of the information described above.

A summary of the plan development process and public comments received during this process will be included in final version of the Consolidated Plan, Annual Action Plans, and Comprehensive Annual Performance and Evaluation Report submitted to the U.S. Department of Housing and Urban Development. The Community Development Division office is located at the Parnly Billings Library, 4<sup>th</sup> Floor, 510 North Broadway, Billings, Montana 59101 and has office hours Monday through Friday, 8:00am to 5:00pm.

### *Public Comments*

Public comments are requested at least 30 days prior to submission of reports required under HUD's Consolidated Plan process. The City will consider 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 are not accepted for inclusion in the Plan, the City will provide written explanation of why those comments were not accepted.

The City provides written responses to all written complaints and grievances related to the Consolidated Plan requirement and the City's housing and community development programs within 15 working days of receipt of the complaint or grievance where practical.

For the purposes of reviewing the Annual Action Plan, public hearings were held on the following dates:

- March 17, 2011 - 9:00am - 2:00pm (advertised March 3 & 10, 2011)
- April 26, 2011 - 6:30pm (advertised March 24, 2011 and April 8, 2011)

The public comment period was held from March 25, 2011 through April 25, 2011, and the Consolidated Plan was available online at [www.ci.billings.mt.us](http://www.ci.billings.mt.us).

Public comments submitted for the Annual Action Plan include the following:

- **Name:** Statement...

#### *Criteria for Amending the Consolidated Plan*

24 CFR part 91.105(c) of the Final Rule requires grantees of CDBG and HOME programs make public the criteria the City will use for determining what changes in planned or actual activities constitute a substantial amendment to the Five-Year Consolidated Plan. An amendment to the approved plan will occur when the City of Billings decides:

- Not to carry out a project or activity described in the plan.
- To carry out a project not previously described.
- Substantially change the purpose or scope of a project.

Prior to the submission of any substantial change in the proposed use of federal housing and community development funds, the City of Billings will hold a public hearing to allow citizens reasonable notice of, and opportunity to comment on, proposed amendments. Public comment periods will not be less than thirty (30) days.

Substantial changes are defined as the creation of any new budget line item to be funded under the City's HOME and CDBG programs, or a budget amendment resulting in an increase or decrease in a previously approved line item of more than \$25,000.

## SECTION THREE - Strategies & Compliance

### Overall Strategies

This section combines overall strategies and regulatory references for Consolidated Plans in one area for ease of reference. Federal regulations accompany all federal funding allocations and all activities / projects funded through the Community Development Division's CDBG and HOME programs.

### Institutional Structure

91.215(k)(l)

As previously mentioned, the City's dedication to partnerships and inclusive participation contributes to the community's ability to meet overall community development goals. The Community Development Division is committed to assisting in capacity-building efforts for local nonprofit organizations and local partners in order to build a stronger community, and will continue to act as a catalyst to bridge the gaps between resources and organizations that can meet community need through housing development, social services and economic development.

Other organizations involved with housing and community development in Billings include:

- **Neighborhood Groups:** South Side Neighborhood Task Force, North Park Task Force, Central-Terry Park Neighborhood Task Force, North Elevation Task Force, Southwest Corridor Task Force, West End Task Force, and the Heights Community Development Task Force.
- **Economic Development Organizations:** Downtown Billings Alliance, Big Sky Economic Development Authority, and Beartooth Resource Conservation and Development Council.
- **Government Agencies:** Montana Board of Housing, the Montana Department of Commerce, and Yellowstone County.
- **Nonprofits:** Montana Homeownership Network, homeWORD, Community Leadership Development, Montana Rescue Mission, Family Service, Inc., Community Housing Resource Board, Habitat for Humanity, Yellowstone AIDS Project, Living Independently for Today and Tomorrow, and Rebuilding Together.
- **Private Sector:** Local Lending Institutions, Federal Home Loan Bank, Property Managers Association, Montana Landlords Association, Eastern Montana Landlords Association, and the Realtors and Home Builders Association.
- **Advisory groups:** Affordable Housing Task Force, Adjacent Neighborhood Committee, and the Billings Partners for American Indian Home Ownership.

Economic development strategies in the community are primarily served through the Big Sky Economic Development Authority and through the City's CDBG Public Services funding. Strengths of the current delivery system, including public housing, include the immense collaboration the City facilitates in Consolidated Plan development and implementation. Gaps in the current system can be met with increased funding allocated through the entitlement processes.

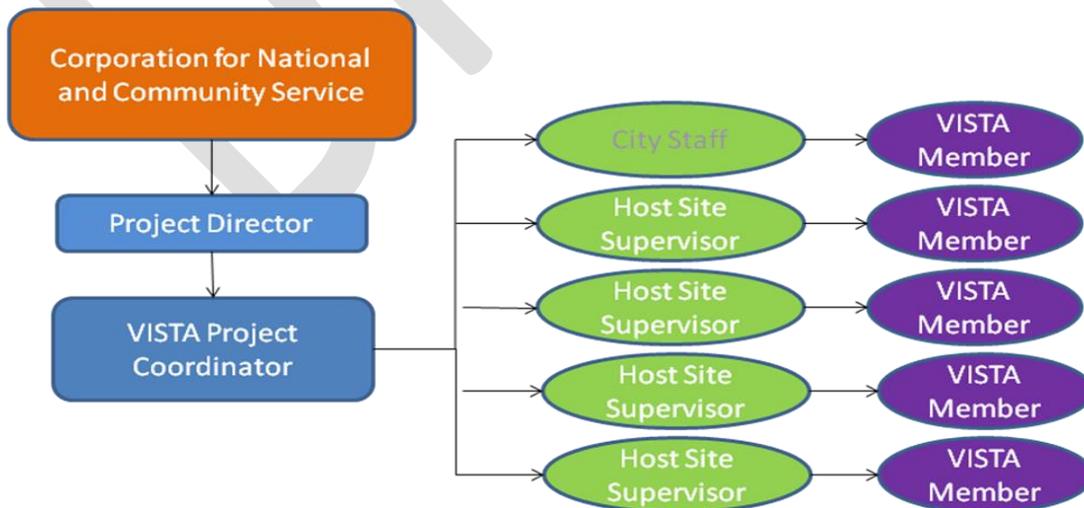
The Housing Needs Assessment contains comprehensive information on the lower income status of local households. Current findings indicate a need to address economic conditions locally and in the State of Montana in a comprehensive manner.

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’s strategies to promote affordable housing and fair housing city-wide, and to preserve the existing housing stock and the neighborhoods where the affordable housing stock is located, will compliment economic development efforts by providing safe, decent, and affordable housing and livable neighborhoods for lower income households in our community.

The City proposes to support statewide efforts to improve economic conditions and proposes to support the following specific activities in this Consolidated Plan to address economic conditions of low and moderate-income households in Billings (specific strategies are located in Section Eleven):

- 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 funding of social service agencies as public service activities under the CDBG Program. (Strategy E)
- Continue to support the work of local economic development organizations to help create higher wage jobs for lower income persons. (Strategy C)
- Continue to apply for the **AmeriCorps\*VISTA (Volunteers in Service to America)** project status in order to bring full-time volunteers to work on capacity-building for the homeless initiatives through **Welcome Home Billings**, the City’s ten-year plan to impact homelessness. The City was awarded project status and placed seven VISTA members to work on poverty issues beginning in July 2009. The structure of the **Billings Metro VISTA Project (MVP)** serves to build the capacity of nonprofit organizations to work on poverty issues. (Strategy C)

**Billings Metro VISTA Project (MVP) Model**



## **Regulatory Compliance**

The following sections reference regulatory compliance issues for all projects and activities undertaken by the City with CDBG and HOME funding.

### *Environmental Review*

The Community Development Division staff is fully trained in current Environmental Review Records procedures. The City utilizes multi-year review processes to accommodate environmental review for core programs including housing repair, planning activities, and down payment assistance programs. The City reviews each project for environmental clearance prior to securing funding.

### *Lead-Based Paint*

91.215 (i)

The City continues to be in compliance with HUD's lead-based paint requirements as established in September of 2000. According to the 2000 Census, it is estimated that there are over 28,000 housing units built before 1979 that are at risk of containing lead-based paint, which comprises 73% of the total housing stock in Billings. Not all of the homes built prior to 1979 contain lead-based paint and lead hazards. However, 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.

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, paint inspections, clearance testing, and has access to lead-safe certified contractors to ensure compliance.

In addition, the City also promotes lead-safe work practices training whenever it is offered in Montana, which gives local contractors the opportunity to become certified in lead-safe work methods. The City will continue to maintain working relationships and partner in furthering educational efforts with lead-based paint professionals to ensure HUD requirements are effectively met.

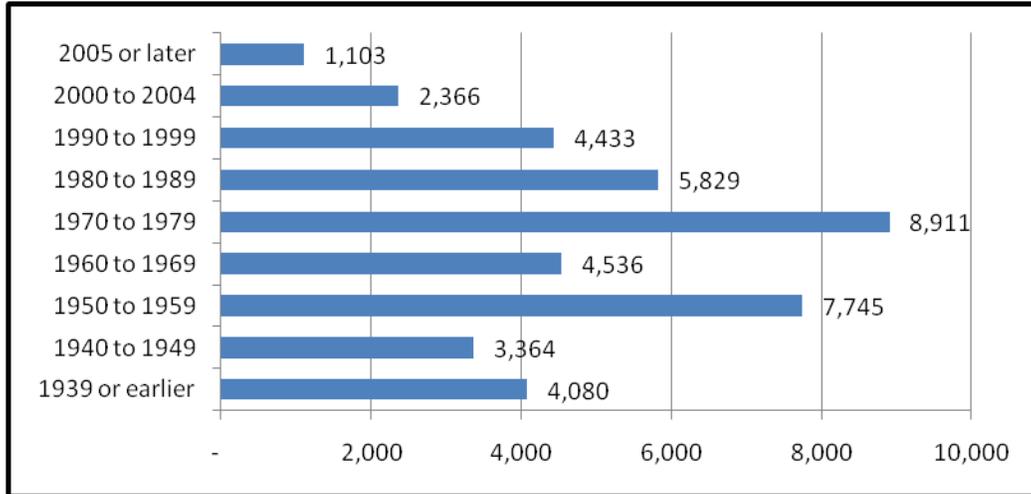
The Yellowstone County Health Department participated in the Montana Lead program from 1994 until 2000. A total of 1,703 tests were completed between May 25, 1994 and December 29, 1999 and City-County Health reported that no children under the age of six years old tested over 10 ug/dl. Twenty-nine individuals over the age of six had blood lead levels between 10 and 14 ug/dl and 17 had levels equal to or greater than 15 ug/dl. The Montana Lead program was discontinued due to lack of sustained funding and data on elevated blood levels is now reported to the Department of Health and Human Services, Public Health and Safety Division, which reported that only two children under the age of six were found to have elevated blood levels between 2000 and 2004. Both of these children had levels between 19 and 22 ug/dl. According to the Center for Disease Control, 114 children under the age of six were confirmed with elevated blood lead levels in Montana between 1997 and 2001.

Head Start, Inc. has been performing lead-testing for children participating in their programs. In 2009, three of the 360 participating children were tested and all three were found to have no elevation in lead. Overall, the incidence of high blood lead levels in Montana children is 0.27%. The State stopped sending data to the Center for Disease Control in 2006 because there was no data to be sent. The data collected to date in Billings indicates that elevated lead blood levels are not a priority concern.

### Historic Review

All activities and projects undertaken by the City are reviewed for the potential for historic significance prior to implementation. Approximately 15,000 homes in the City were built prior to 1959. These homes are more than 50 years old and require historic review to ensure the historic value of the property will be maintained while undergoing housing rehabilitation utilizing federal funding.

**Billings - Year Structure was Built, Shown in Numbers of Structures**



Source: U.S. Census Bureau, 2006-2008 American Community Survey Three-Year Estimates

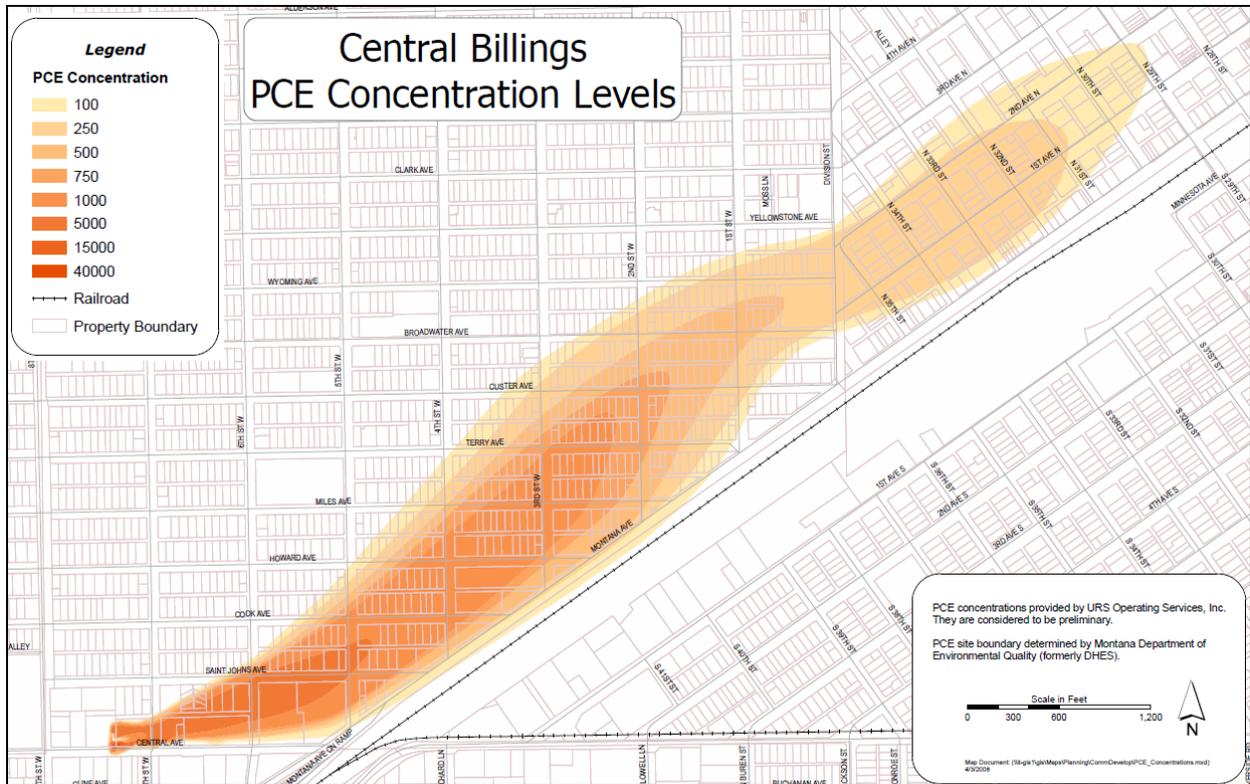
The City utilizes both the Yellowstone Historic Preservation Board and the State Historic Preservation Office to review projects for potential impacts on historic integrity prior to implementation.

### PCE Groundwater Contamination Site

The Environmental Protection Agency (EPA) has identified an area in the City limits with Perchloroethylene (PCE) groundwater contamination. This is a man-made chemical used for dry cleaning and degreasing metal parts. The EPA has finalized remediation in this area and has notified, tested, and remediated the high level PCE properties in the area (see map, following page).

The groundwater in this area is not potable; however, all of the residences / businesses in the area have established access to the City water system and do not rely on groundwater for drinking. The predominant issue when reviewing properties in this area for housing rehabilitation is exposure to soils in basements, active groundwater well systems and adequate ventilation.

The City has developed site-specific environmental review procedures in collaboration with the EPA and the procedures have been reviewed and approved by HUD. Properties in this area will be reviewed for open well systems, exposure to soil and adequate ventilation. Work lists containing remedies to address these issues are a priority for all properties located in the PCE area.



**Location of PCE Site in Billings**

### *Fair Housing & Equal Opportunity*

The City has completed an [Analysis of Impediments to Fair Housing Choice](#) study every five years since the 1990s. The Community Development Division staff is dedicated to supporting fair housing efforts and initiatives in Billings. This includes ensuring that activities, projects and programs funded utilizing CDBG and HOME funding are carried out without discrimination, directly or indirectly, on the basis of race, color, religion, gender, national origin, age, familial status, disability or creed. This also includes efforts to affirmatively further fair housing, such as:

- Base program development strategies on activities to ensure diversity and benefit across the city, which also assists in avoiding segregation.
  - Ensure all housing repair, development, and acquisition activities are based on program parameters allowing city-wide implementation to avoid segregation.
- Staff facilitation and administration of fair housing initiatives.
- Facilitating capacity-building efforts for local non-profit organizations.
- Facilitating specific grant-writing activities to further local educational efforts, when staff time allows.
- Promoting fair housing choice for all persons.
- Working to alleviate housing discrimination in Billings.
- Promoting housing that is accessible / usable by persons with disabilities.
- Providing opportunities for all persons to live in any given housing development.

**Fair Housing Initiatives Program (FHIP):** The City actively partners with organizations with an interest in fair housing and has facilitated several grant applications for the FHIP available competitively through HUD. The City was awarded this grant in 2006 for over \$93,000. In 2007 and 2008 grant awards were made for over \$99,000 for each year and in 2011, the City was awarded another \$125,000 to further fair housing education and outreach. Previous and current partners and Subrecipients of FHIP funding include: homeWORD, the Community Housing Resource Board, Interfaith Hospitality Network, the Billings Partners for American Indian Homeownership, Rimrock Foundation, Yellowstone AIDS Project and Yellowstone County Council on Aging in Billings.

This year, City staff plans to address urgent needs identified in this underserved area by partnering with several non-profit and community representation organizations to build capacity and expand the professional knowledge base regarding fair housing issues. Partnering organizations assists in building a comprehensive community-based response to pressing fair housing needs, including targeting: American Indians and other minority groups; the disabled - particularly those in recovery from addiction or individuals who have been diagnosed with HIV / AIDS; homeless families; and people experiencing poverty. Impediments these individuals face include segregation, steering, blatant discrimination, hostility, and disparate treatment when applying for housing during the rental application process and also when applying for housing financing.

Staff members also review policies, procedures and service outcomes on an annual basis through the Consolidated Plan and performance reporting processes to determine whether impediments to fair housing choice were inadvertently imposed. Plans for future actions are implemented to address concerns during the fiscal year allocation process.

### *Affirmative Marketing*

The City adheres to an Affirmative Marketing Procedure which furthers the City's commitment to nondiscrimination and equal opportunity in housing. Proposed affordable housing development projects with more than five units are required to submit an Affirmative Marketing Plan with the application for funding. Plans include procedures for marketing units to minority / disabled populations and performing significant outreach to ensure equal housing opportunity for potential renters / owners of the housing units.

Core programs (such as housing repair, down payment assistance, and special assessment grants) are advertised in Task Force Newsletters, which are distributed in identified low income and high-minority concentration areas. Core programs are also marketed to agencies serving the elderly, disabled and those experiencing homelessness.

The Citizen Participation Plan ensures comprehensive public notices and opportunities to solicit and receive public comment and participation in the allocation process. This process includes staff attendance at local neighborhood task force meetings during the allocation process. These areas have been identified with high minority densities and are predominantly low-income.

### *Section 504*

Minimum accessibility requirements are mandated with all affordable housing projects developed utilizing federal funding. Subrecipients of federal funding are all monitored for Section 504 accessibility requirements pursuant to ensure that non-dwelling service facilities are fully accessible to those with

disabilities. All Subrecipients are provided a copy of the Self-Evaluation and Assessment of Accessibility to ensure compliance with Section 504 requirements.

### *Section 3*

Section 3 is a provision of the Housing and Urban Development Act of 1968, which recognizes that HUD funds are typically one of the largest sources of federal funding expended in communities through the form of grants, loans, entitlement allocations and other forms of financial assistance. Section 3 is intended to ensure that when employment or contracting opportunities are generated because a covered project or activity necessitates the employment of additional persons or the awarding of contracts for work, preference must be given to low- and very low-income persons or business concerns residing in the community where the project is located.

Section 3 is both race and gender neutral. The preferences provided under this regulation are based on income-level and location. The Section 3 regulations were designed to encourage recipients of HUD funding to direct new employment and contracting opportunities to low-income residents, and the businesses that employ these persons, within their community regardless of race and / or gender.

The City has a comprehensive procedure for compliance with Section 3 requirements. This includes procedures to provide job training, employment and contract opportunities for low income residents in connection with projects and activities in their neighborhoods.

### *Relocation Assistance & Displacement*

The City minimizes displacement of persons and assists any persons displaced during the Division's affordable housing and redevelopment activities according to the Uniform Relocation Act. The Uniform Act provides important protections and assistance for people affected by the acquisition, rehabilitation, or demolition of real property for Federal or federally-funded projects.

This law was enacted by Congress to ensure that people whose real property is acquired, or who move as a direct result of projects receiving federal funds, are treated fairly and equitably and receive assistance in moving from the property they occupy. The Division will require developers to make relocation benefits available to displaced persons during housing initiatives funded with federal dollars.

### *Short Sales*

The term "short sale" can be described as the sale of a property where the sale proceeds fall short of the balance owed on the loan. The City carries liens on properties as a result of owner participation in programs such as First Time Homebuyer and Housing Rehabilitation.

On occasion, the City is asked to participate in "short sales," which is a process that routinely begins with homeowner that is default on a first-position mortgage. This typically involves a request from a third-party to lower the balance of the lien owed to the City.

Foreclosure proceedings mandate owner protections that can be diluted when a third-party short sale takes place. The City will not participate in any third-party short sale when the City holds an interest in a property. This includes lowering the balance of liens placed when the owner participated in City-

financed programs. Short sales initiated by the owner without a third-party will be considered on a case-by-case basis.

### *Labor Standards*

The Davis-Bacon Act requires, when applicable, the payment of prevailing wage rates, as determined by the US Department of Labor, to all laborers and mechanics on federally-funded construction projects. As a rule, CDBG construction contracts in excess of \$2,000 will trigger Davis-Bacon, and HOME contracts involving twelve or more HOME units will require Davis-Bacon compliance. Staff will evaluate each application to determine if Davis-Bacon applies to a specific project.

### *Definitions*

- **Laborer or mechanic:** Anyone performing construction work on the project, including trade journeymen, apprentices, and trainees. “Laborers” and “mechanics” are the two groups of workers that must be paid not less than Davis-Bacon wage rates.
- **Employee:** Every person who performs the work of a laborer or mechanic is “employed” regardless of any contractual relationship that may exist between a contractor or subcontractor and such person.
- **Apprentices and trainees:** The only workers who can be paid less than the wage rate on the wage decision for their work classification are “apprentices” and “trainees” registered in approved apprenticeship or training programs. Apprentices and trainees are paid wage rates in accordance with the wage schedule in the approved program. The maximum number of apprentices or trainees on the job site cannot be more than the ratio of apprentices or trainees to journeymen allowed in the approved program.
- **Prevailing wages:** Prevailing wages are listed on the wage decision for the project. The wage decision will list a minimum basic hourly rate of pay for each work classification. Wage decisions may include fringe benefits such as health insurance, retirement, vacation and contributions to training funds.
- **Site of work:** The “site of work” is where the Davis-Bacon wage rates apply, usually the boundaries of the project. “Site of work” can also include other adjacent or nearby property used by a contractor or subcontractor in the construction of the project.
- **Proper designation of trade:** A work classification on the wage decision for each worker based on the actual type of work he performed must be done. In addition, each worker must be paid no less than the wage rate on the wage decision for that classification regardless of skill level. The only people who can be paid less than the rate for their craft are apprentices and trainees registered in approved programs.
- **Split-classification:** Employees performing work in more than one classification should be paid the wage rates specified for each classification only if accurate time records showing the time spent in each classification of work are maintained. If accurate time records are not maintained, these employees must be paid the highest wage rate of all of the classifications of work performed.

### *Wage Decisions*

Davis-Bacon wage decisions define the minimum wage payment requirements for classifications such as carpenters, electricians, plumbers, and roofers that work on the project. The geographically specific

Davis-Bacon wage decision, provided by the Department of Labor, contains a schedule of work classifications and wage rates to be followed. Wage decisions can be found [online](#).

The prime contractor, or the party ultimately accountable for meeting Federal regulations, is responsible for several key steps in a Davis-Bacon contract. Prior to bidding a construction contract, the Davis-Bacon wage decision must be obtained and included in the bid package. Once the project is underway, a copy of the wage decision and a copy of a Department of Labor "Notice to Employees" at the job site must be posted in a place easily accessible to construction workers employed at the project.

### **Reporting**

A certified payroll report beginning the first week a company works on the project and continuing until the firm has completed its work will be required by the project monitor. The payrolls are certified because each payroll is signed and contains language certifying that the information is true and correct. "No work" payrolls may be submitted whenever there is a temporary break in work on the project.

The prime contractor reviews each subcontractor's payroll reports for compliance prior to submitting the reports to the contract administrator. The prime contractor is responsible for the full compliance of all subcontractors and will be held accountable for any wage restitution found due to any laborer or mechanic that is underpaid and for any liquidated damages that may be assessed for overtime violations.

Every contractor (including subcontractors) must keep a complete set of payrolls and time cards for a Davis-Bacon project for three years after the project is completed. The prime contractor must keep a complete set of all of the payrolls for every contractor for three years after completion of the project.

### **Compliance Reviews**

The contract administrator or other inspector may visit the project site and interview workers concerning their employment on the project. The interviewer will record the interview information and will compare it to payrolls and related submissions to ensure that the labor standards requirements have been met. Additional information on this topic can be found on the Department of Housing and Urban Development [website](#).

### **Housing Quality Standards**

All City projects involving residential construction, rehabilitation, and / or acquisition shall meet the Division's standards to provide decent, safe and sanitary housing that minimally meets or exceeds all applicable local and State codes, rehabilitation standards, ordinances, and zoning ordinances. This includes meeting or exceeding Housing Quality Standards, which will be verified by staff inspection. In addition to meeting quality standards, all housing projects undertaken by the City emphasize energy efficiency, universal design, and green building components whenever possible and feasible.

### **Monitoring**

91.230

The goals to be achieved through the Consolidated Plan will be monitored on a yearly basis as required as part of the Comprehensive Annual Performance Evaluation Report (CAPER) submitted to HUD for the Consolidated Plan. Monitoring consists of:

- Examination of the community's use of available HUD, state, and local resources to meet the affordable housing and community development needs as outlined in the Consolidated Plan.
- Examination of the effectiveness of the programs that are in place.
- Review of public comments received on the community's performance in meeting the affordable housing and community development needs described in the City's Consolidated Plan.

The City funds a variety of sub-recipients to carry out CDBG and HOME funded activities each year. Each of these sub-recipients is required to enter into a detailed sub-recipient agreement that specifically describes funding use. Subrecipients will be monitored on-site by Community Development staff at least every other year to ensure compliance with the terms of the agreement and applicable regulations.

Projects assisted with CDBG funding to rehabilitate rental units as well as projects financed with HOME funding. Housing projects are monitored via site-visits on a schedule based on the number of units in the project:

| <b># of Units</b>                                                                                      | <b>Frequency of On-Site Monitoring</b> |
|--------------------------------------------------------------------------------------------------------|----------------------------------------|
| 1 - 4 Units                                                                                            | Every 3 years                          |
| 5 - 25 Units                                                                                           | Every 2 years                          |
| 26+ Units                                                                                              | Every year                             |
| Source Documentation                                                                                   | Every 6 years                          |
| <i>Staff inspects 15% - 20% of the total HOME units per project, minimum one unit in each building</i> |                                        |

### *Timeliness*

The City is required to both commit and expend CDBG and HOME funding in a timely manner. The CDBG program mandates that the City carry less than 1.5 times the previous year's award in the HUD payment system at the beginning of May each year. HOME funding allocated to the City must be committed to specific projects via contract (which must be approved through City Council) within 24 months of allocation and funds must be expended within five years of initial allocation. Failure to comply with commitment and expenditure deadlines will result in funding being recaptured by HUD.

The City must draw down funds at acceptable rates to prevent funding recapture. Therefore, the City will adhere to the following procedures regarding timeliness:

- Allocating funding to grantees that can expend funding expeditiously.
- Prioritizing applications for funding based on timeline for expenditure.
- Reallocating funding from projects that have not expended funds to new projects.
- Draw funding from HUD systems at least quarterly to ensure compliance.
- Perform a timeliness review at the end of each calendar year and plan to move funding to progressive accounts / projects if timeliness will become an issue.
- Work with Community Housing Development Organizations (CHDO) to pre-allocate future mandatory CHDO reserve funding.

- Communicating the importance of timeliness to applicants, the Community Development Board and the City Council.

*Performance Measures*

HUD requires certain objectives and outcomes be identified for all activities funded through CDBG and HOME. These include objectives for suitable living environment, the provision of decent housing and creating economic opportunities. Outcomes include increasing availability and / or accessibility, affordability and sustainability.

| <b>HUD PERFORMANCE MEASUREMENTS</b> |                               |
|-------------------------------------|-------------------------------|
| <i>Objectives</i>                   | <i>Outcomes</i>               |
| Suitable Living Environment         | Availability or Accessibility |
| Decent Housing                      | Affordability                 |
| Economic Opportunities              | Sustainability                |

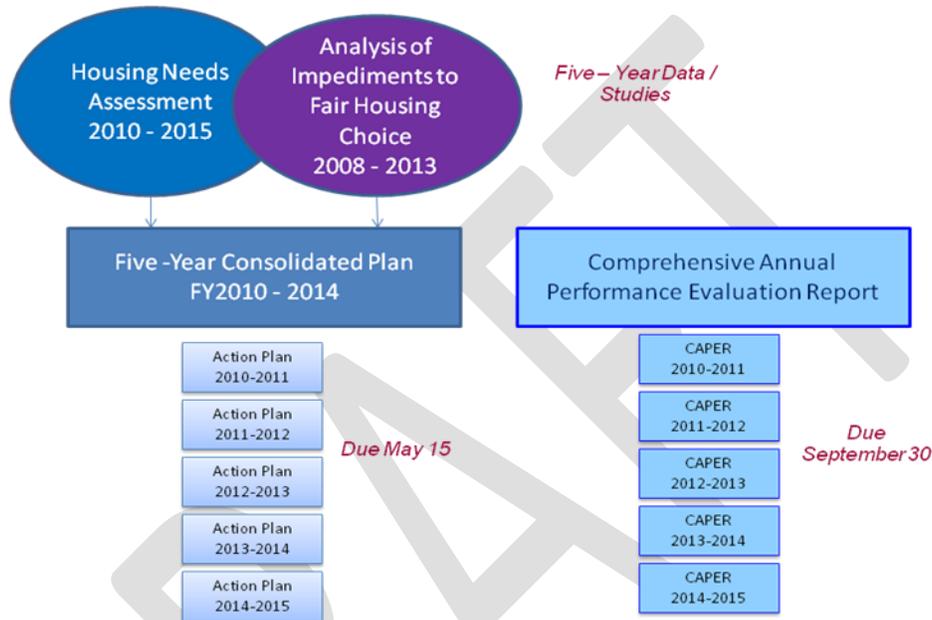
In addition to the utilization of HUD standard objectives and outcomes, the City will provide benchmark data on performance and outputs, including the following numbers:

- Housing units assisted
- Years in compliance with stated benchmarks / requirements
- Funding leveraged
- Meetings facilitated by staff
- Grant application submissions to further Consolidated Plan goals
- Strategic / Action Plans generated / implemented
- Organizations supported
- AmeriCorps\*VISTA members placed

## SECTION FOUR - Consolidated Plan & Budget Development

### Significant Aspects of the Process

The City utilizes significant public comment processes and coordinates input from various organizations and groups in order to maximize collaborative efforts while developing and implementing the Consolidated Plan. Both the Housing Needs Assessment and the Analysis of Impediments to Fair Housing Choice are utilized by City staff as **primary planning tools** for the development and implementation of Consolidated Plan activities.



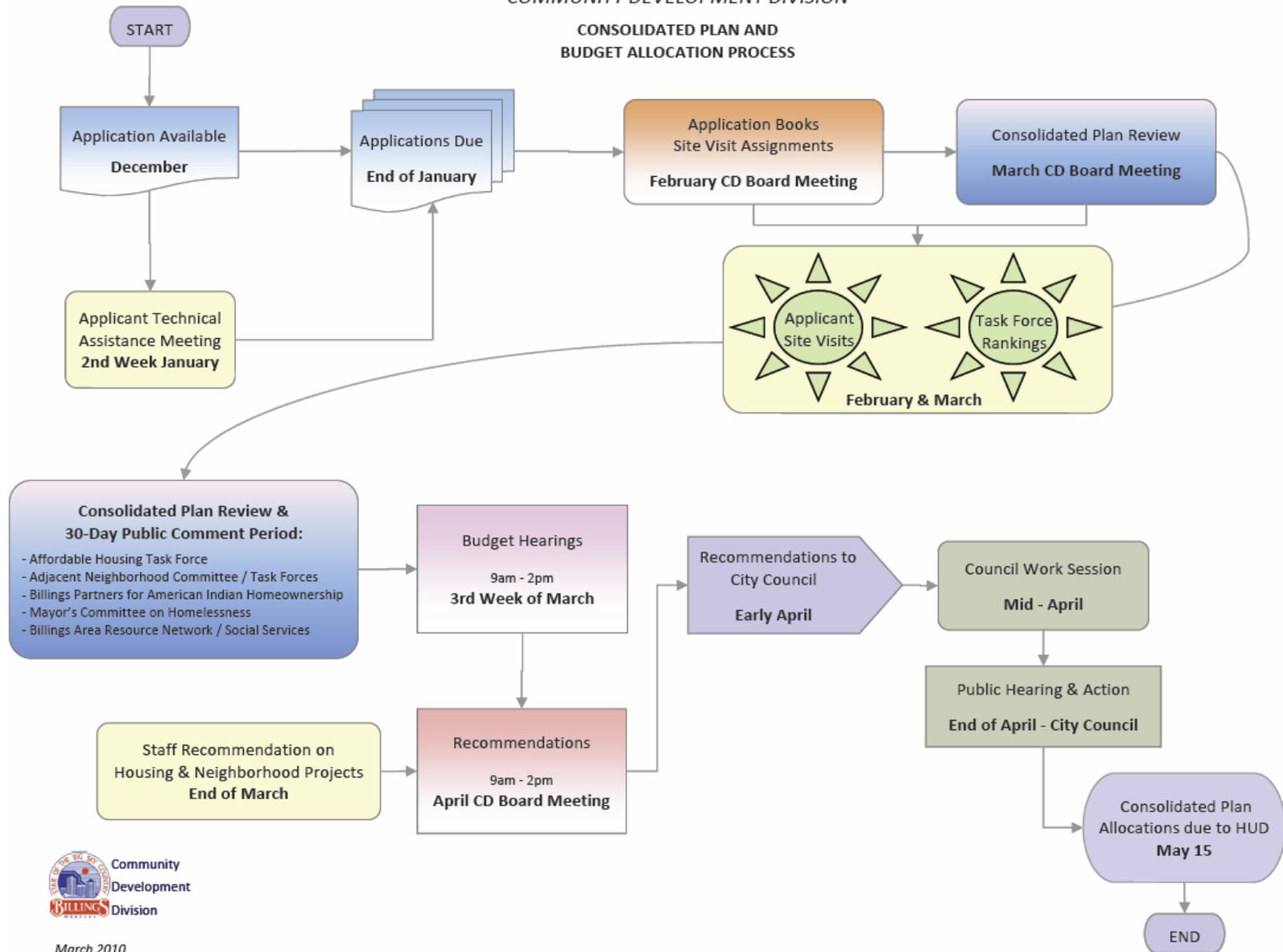
The Budget Allocation Process flowchart (following page) illustrates the significant aspects of public involvement and input processes utilized for Consolidated Plan development and implementation. The process includes a technical assistance meeting to facilitate training of CDBG / HOME applicants regarding application expectations and project requirements. All plans and studies are posted on the City’s website and emails are distributed announcing application and Consolidated Plan postings.

The Community Development Board conducts applicant site visits to review each application with the submitting organization. In addition, City staff visit each of the seven neighborhood task forces to garner housing / neighborhood activity rankings prior to the public comment period. The City also maintains extensive email distribution lists and utilizes these lists to make announcements of study results and drafted plans. Budget hearings are also held to give presentation opportunities to each applicant. Each neighborhood task force is also offered an opportunity to speak during the hearings.

A formalized public comment period is held for no less than 30 days and various community groups are visited during this time to garner feedback on studies, plans and activities. Agenda items are also scheduled for a City Council Work Session and regular City Council meeting; the latter includes an additional, specific public hearing to review the Consolidated Plan and activities. All meetings are open to the public, advertised in the regionally-distributed Billings Times newspaper and agendas offer a specific time for additional public comment.

COMMUNITY DEVELOPMENT DIVISION

CONSOLIDATED PLAN AND BUDGET ALLOCATION PROCESS



March 2010

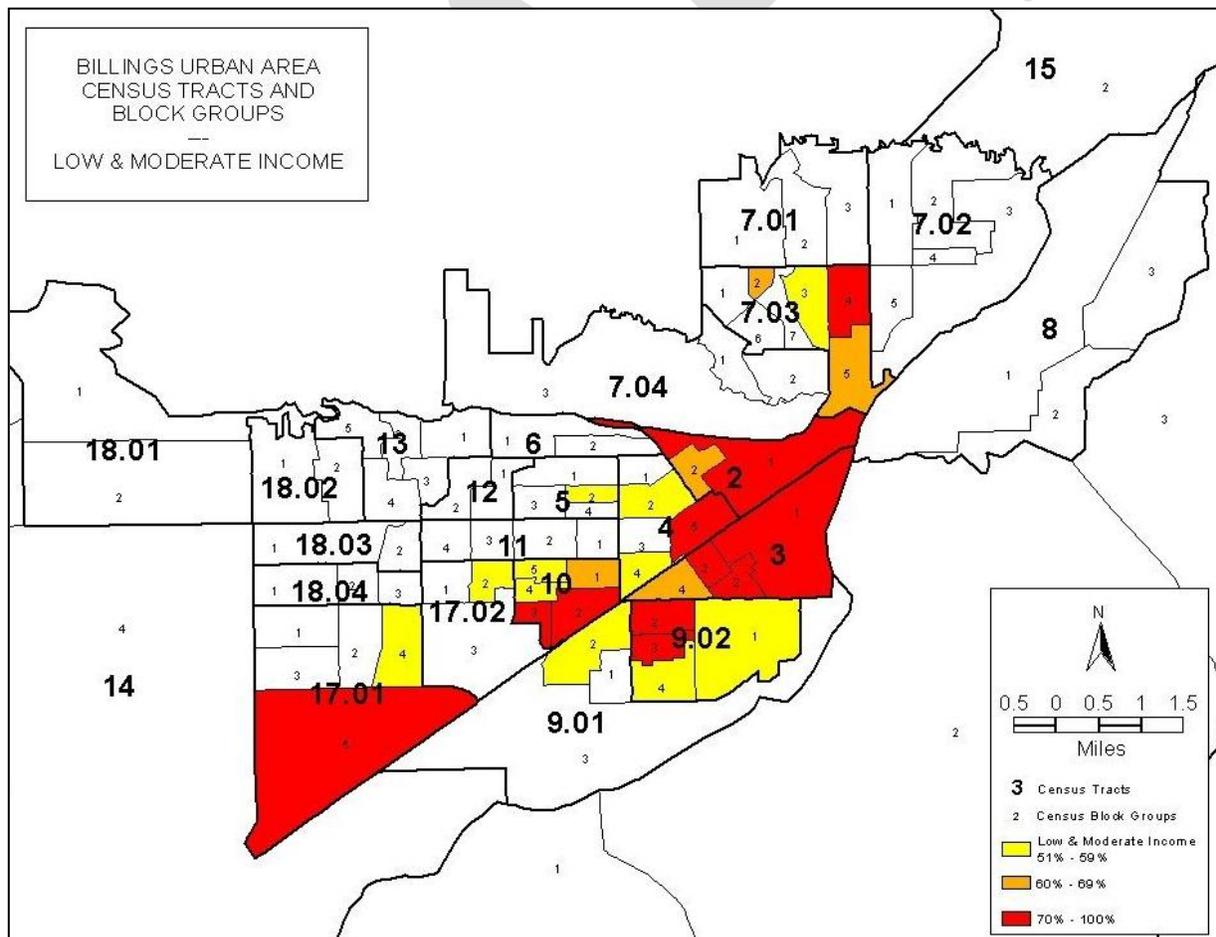
## SECTION FIVE - Geographic Data

### Geographic Area

The geographic area served by the Consolidated Plan is defined by the current City of Billings limits. Target areas include Census tracts and block groups with high concentrations of low to moderate income households, particularly those with higher concentrations of racial / minority households.

### Lower-Income Household Concentration

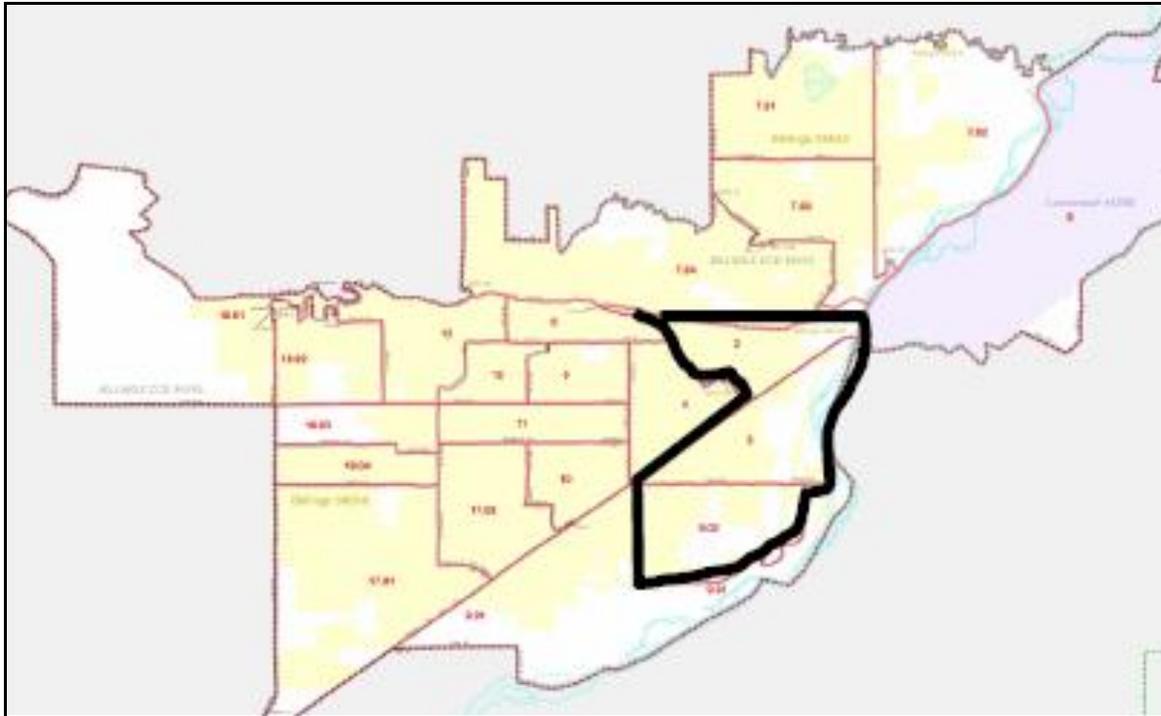
The strategies identified in the Consolidated Plan will be addressed on a citywide basis to encourage the distribution of low-income affordable housing and other assistance to lower income households throughout the community. Strategy D targets assistance provided through CDBG and related programs to lower income neighborhoods of the communities where the majority of the City's affordable housing stock is located. The map below identifies areas of the community with lower income population above 70%, between 60% and 69%, and between 51% and 59% to allow further prioritization of limited resources. The low income areas identified on the map maintain the presumption of affordability for the purposes of affordable housing development, recapture / resale and federal investment. Areas may be updated with the 2010 Census.



**Lower Income Areas in Billings**

*Racial / Minority Concentration*

The 2007 Analysis of Impediments to Fair Housing Choice identified areas of the community with a concentration of minority households. Census Tracts 2, 3, and 9.02 (known as South-Central Billings) show the highest concentration of protected class residents.



**South-Central Billings - Highest Minority Population Concentrations**

City-wide, there is an estimated American Indian population of 4% and a Hispanic population of 5%. Central Billings (Census Tracts 2 and 4) has a Native American population of 7% and Hispanic population of 6% while South Billings (Census Tracts 3, 9.01, and 9.02) has a Native American population of 9% and a Hispanic population of 14%. These areas are lower income areas and targeted neighborhoods for the geographic distribution of resources as described above. The 2007 Analysis of Impediments to Fair Housing Choice can be viewed [online](#).

**Estimated Population Statistics for South-Central Billings**

|                   | <i>Total</i> | <i>White</i> | <i>Black / African American</i> | <i>American Indian &amp; Alaska Native</i> | <i>Asian</i> | <i>Native Hawaiian &amp; Other Pacific Islander</i> | <i>Other Race</i> | <i>Two or More Races</i> | <i>Hispanic Origin</i> |
|-------------------|--------------|--------------|---------------------------------|--------------------------------------------|--------------|-----------------------------------------------------|-------------------|--------------------------|------------------------|
| <b>Population</b> | 11,361       | 8,913        | 164                             | 1,145                                      | 44           | 9                                                   | 573               | 513                      | 1,485                  |
| <b>% of City</b>  | 13%          | 11%          | 33%                             | 37%                                        | 8%           | 24%                                                 | 44%               | 28%                      | 40%                    |

### *Geographic Basis for Allocation of Investments*

91.215(a)(2)

The City of Billings is the largest city with the highest population in the state. However, the city only has an estimated population of nearly 104,000 in 2008, according to the 2009 Billings Housing Needs Assessment. Billings would be classified as a smaller city on a national scale. Therefore, the City will focus distribution of investments on a citywide basis in order to support diversity and mixed-income development across the community.

### *Basis for Assigning Priority - Overall Consolidated Plan*

Priorities for funding are based on both the most recent Housing Needs Assessment and the Analysis of Impediments to Fair Housing Choice. Priorities for housing development are identified as “High” “Medium” and “Low” based on data analysis.

### *Obstacles to Meeting Underserved Needs - Overall Consolidated Plan*

91.215(a)(3)

The primary obstacle faced by the City in undertaking the activities described in its Consolidated Plan and meeting under-served needs is the amount of available funding. The Housing 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, and other needs of the community related to neighborhood improvement, housing preservation, and improving the economic conditions of lower income households.

In addition to funding for projects and programs, there is a need for additional funding for administration and planning costs to help design strategies and undertake projects to help meet these needs. The City attempts to leverage its CDBG and HOME resources as evidenced by past partnerships with the Montana Board of Housing, Wells Fargo, and Fannie Mae.

The City's ability to undertake such activities is limited by staffing levels. This issue has been partially addressed by establishing and supporting community partnerships to address housing and community development needs. The work of the Affordable Housing Task Force, Adjacent Neighborhood Committee, neighborhood groups, various Fair Housing organizations, and the Billings Partners for American Indian Homeownership increase local resources and capacity to address housing and community development needs.

## SECTION SIX - Resources

### *Available Funding, Expenditure Limits & Match Requirements*

91.220(c)(1&2)

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

The amount of funding available for Public Service Activities is \$###. This amount represents 15% of prior year income (15% of \$### is \$###) and the new CDBG allocation (15% of \$### is \$###), and no additional reprogrammed funding from Public Services from prior years.

HOME administration activities are budgeted \$### which includes 10% of estimated new HOME revenue (10% of \$### is \$###). As First Time Homebuyer funding returned to the City prior to the affordability period expiring is considered "recaptured" funding, no additional "program income" has been received and considered eligible for additional administration expenses. **Note: Federal budgets have not been determined by Congress to date.**

### *Expected Program Income - CDBG & HOME*

Program income expected for the CDBG program includes repayments for funding loaned through the Housing Rehabilitation Loan program and other revitalization efforts. The City expects to receive approximately \$100,000 in repayments for this fiscal year which will be reprogrammed for CDBG-eligible activities for next fiscal year. The City will not receive proceeds for Section 108 loan guarantees, surplus funds from urban renewal settlements, or float-funded activities.

Program income expected for the HOME program includes repayments from homeWORD for the High Sierra project in an annual amount of \$1,500 according to the HUD-approved work out plan completed in December 2009. Other repayments include recaptured and program income funding generated by the First Time Homebuyer Loan program. The City expects to receive approximately \$100,000 in HOME funding through these venues, and the funding will be re-programmed and utilized for HOME-eligible activities next fiscal year. The City of Billings programs 100% of CDBG and HOME funding to benefit low to moderate income households and / or areas.

The City of Billings meets HOME matching requirements through low-interest financing available for First Time Homebuyer Loans issued through the Montana Board of Housing (MBOH) and matching funds provided for other affordable housing projects undertaken with HOME funds, such as private contributions and other local bank financing.

### *Neighborhood Stabilization Program Plan & Expected Program Income*

The City of Billings approved a Substantial Amendment to the City of Billings' Annual Action Plan for FY2008-2009 on January 26, 2009 to utilize funds provided under the Housing and Economic Recovery Act of 2008 (HERA) (Pub. L. 110-289, 122 Stat. 2654, enacted July 30, 2008) through the HUD Neighborhood Stabilization Program (NSP). The geographic area covered in the Action Plan and

amendment is the City of Billings municipal boundaries, with priority emphasis on areas with a high foreclosure risk in low income task force areas.

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

The City of Billings intends to utilize granted funding and program income in a manner that complies with regulations established by HUD. This includes obligating funding via contract for service within 18 months of HUD's approval of the MDOC's Action Plan Amendment<sup>1</sup> and full expenditure of obligated funds within 48 months of HUD's approval date.

Approximately \$300,000 in program income is anticipated from the initial sale of vacant and foreclosed homes to low income households as acquisition funds are repaid to the City. Funding will be utilized to further the goals of the NSP program until July 30, 2013. Funding received thereafter is subject to the requirements of the CDBG program. As per HUD, the City will avoid the undue enrichment of entities, including individuals

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

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

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

As required, all NSP funding must be committed within an 18 month timeframe and must be carried out within four years. The projects will begin in early 2009 and will be continued until early 2013. The City's full Neighborhood Stabilization Program plan is available to view [online](#) and is included in the Appendices.

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<sup>1</sup> Montana Department of Commerce Website, November 2008, [http://housing.mt.gov/Includes/CP/ApplicationDocs/CP\\_NSP-Amendment.pdf](http://housing.mt.gov/Includes/CP/ApplicationDocs/CP_NSP-Amendment.pdf)

### *CDBG Stimulus Funding*

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

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

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

### *Resources Complimenting the HOME Program*

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

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

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

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

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

The City does not plan to use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds, with the exception of approval of a Community Housing Development Organization (CHDO) project. In this instance, the terms of repayment will be established in accordance with 24 CFR 92.206(b).

### *Periods of Affordability for Current Resale / Recapture Projects*

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

The overall Kings Green Affordable Housing Development project will bring a total of 49 new affordable single-family units to the overall housing stock in Billings. Phases I, II and III have resulted in 39 units and Phase IV will be commencing this fiscal year to add an additional 10 units. These units will be subject to recapture provisions.

### *Fair Return to Seller*

Fair return to the seller will be accomplished by recapturing the net proceeds from the sale of the property up to the amount of HOME assistance provided. Net proceeds will be defined by the City of Billings as the sales price minus repayment, closing costs, and any acquisition loan made at the time of the HOME assistance. Any loans or improvements made to the property after the time of the HOME assistance will be paid after the City is repaid the amount owed under its recapture provisions. If the net proceeds are not sufficient to recapture the full HOME investment, the City will accept the available net proceeds as full payment. The homeowner's down payment, principal payments, and any capital improvement investment made in the property after the HOME assistance has been provided will be returned to the homeowner at closing after the City's HOME assistance has been recaptured from the net proceeds as described above. The homeowner also will retain any value of the appreciation of the property after the City's HOME assistance has been recaptured.

### *Use of Recaptured Funds*

Recaptured HOME funds will be used to assist other first time homebuyers to purchase property in Billings or other HOME eligible activities to be determined through the City's budget allocation process in accordance with the Citizen Participation Plan. Homebuyers must be low-income and must use the assisted property with the recaptured funds as their principal residence. Low-income and first time homebuyer status will be determined based on HOME program regulations.

The City of Billings does not propose the use of HOME funds to refinance existing debt secured by multi-family housing that is being rehabilitated with HOME funds.

### *Tenant-Based Rental Assistance*

Tenant-Based Rental Assistance will be used to meet the priority need for rental deposit assistance as determined by the gap analysis in *Welcome Home Billings*, the City's 10-year plan to impact homelessness. This need was also identified in the Housing Needs Assessment. Additional information regarding this need can be found in the City's five-year Consolidated Plan. This investment should assist in narrowing the affordability gap for households with incomes less than 60% of the area median income.

## SECTION SEVEN - Annual Objectives & Tables

### Required Tables

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

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

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

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

Version Two also identifies sources of funds, performance indicators, expected number, actual number and percent completed. These figures will be located in the City’s Comprehensive Annual Performance Evaluation Report (CAPER) for each fiscal year.

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

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

Tables 3C can be found in the Appendices.

**Affirmatively Furthering Fair Housing:** The following chart illustrates the results of the latest AI, including identified impediments to fair housing choice and recommended strategies to impact barriers.

In order to further illustrate the City’s intent to affirmatively further fair housing, impediments and strategies identified in the AI are linked to the City’s overall Annual Action Plan activities in Table 3A.

| <b>ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE</b>                                                                                                                      |                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| <b>Identified Impediments</b>                                                                                                                                              | <b>Strategies</b>                                                                                                                   |
| <p><b>A.</b> Many members of protected classes do not appear to understand their housing rights under the Fair Housing regulations.</p>                                    | <p><b>A1:</b> Produce and disseminate consumer education on Fair Housing issues.</p>                                                |
|                                                                                                                                                                            | <p><b>A2:</b> Re-evaluate effectiveness of existing educational materials.</p>                                                      |
|                                                                                                                                                                            | <p><b>A3:</b> Plan for increasing significance of age-related disabilities.</p>                                                     |
| <p><b>B.</b> Some landlords, property owners, and realtors do not act consistent with knowledge of Fair Housing regulations.</p>                                           | <p><b>B1:</b> Educate landlords, property owners and realtors on their Fair Housing Responsibilities.</p>                           |
| <p><b>C.</b> Income, credit and housing affordability issues are tied to fair housing.</p>                                                                                 | <p><b>C1:</b> Actions improving housing affordability / incomes will reduce impediments to fair housing.</p>                        |
|                                                                                                                                                                            | <p><b>C2:</b> Education on using credit and maintaining credit scores is needed.</p>                                                |
| <p><b>D.</b> Lack of funding hampers the effectiveness of local services working on behalf of fair housing protected classes.</p>                                          | <p><b>D1:</b> Increase funding and capacity of organizations that may assist with fair housing education / outreach activities.</p> |
| <p><b>E.</b> The lack of hard data concerning the effectiveness of specific fair housing programs hampers the goal of improving the delivery of fair housing services.</p> | <p><b>E1:</b> All Fair Housing outreach / education efforts will include measurable goals and outcomes.</p>                         |

## GOALS FOR FY2011-2012 CONSOLIDATED PLAN

**Table 3A - Summary of Specific Annual Objectives & Affirmatively Furthering Fair Housing**

*July 1, 2011 through June 30, 2012 Goals*

| Strategy                                                                                         | Objective                                                                                                                                                                   | Activity                                                  | Measurement Type           | FY11-12 Goals | Objectives / Outcomes | Funding Source | AI Barriers Impacted | AI Strategies Implemented |    |
|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------|---------------|-----------------------|----------------|----------------------|---------------------------|----|
| A: Promote the preservation of the existing supply of safe, affordable housing in the community. | Provide direct, affordable financing and assistance to low-income homeowners for the completion of needed repairs, citywide.                                                | Housing Rehabilitation Loan Program                       | Housing Units              | <b>10</b>     | SL-2                  | CDBG           | C                    | C1                        |    |
|                                                                                                  |                                                                                                                                                                             | Minor Home Repair Program                                 | Housing Units              | <b>20</b>     | SL-2                  | CDBG           | C                    | C1                        |    |
|                                                                                                  |                                                                                                                                                                             | Painting Program                                          | Housing Units              | <b>5</b>      | SL-2                  | CDBG           | C                    | C1                        |    |
|                                                                                                  | Provide financing and assistance through partnerships to facilitate needed repairs for special needs populations located citywide.                                          | Wheelchair and accessibility ramps                        | Ramps - Housing Units      | <b>6</b>      | DH-1                  | CDBG           | A, C, D              | A3, C2, D1                |    |
|                                                                                                  |                                                                                                                                                                             | Rehabilitation for special needs populations              | Housing Units              | <b>3</b>      | DH-2                  | CDBG           | A, C, D              | A3, C2, D1                |    |
|                                                                                                  | Benchmark Performance Measures                                                                                                                                              | # units rehabilitated through City programs:              |                            | -             | -                     | -              | C                    | C1                        |    |
|                                                                                                  |                                                                                                                                                                             | # units rehabilitated through partnership programs:       |                            | -             | -                     | -              | C                    | C1                        |    |
|                                                                                                  |                                                                                                                                                                             | % of total funding allocated to enhance existing housing: |                            | <b>25%</b>    | -                     | -              | C                    | C1                        |    |
|                                                                                                  |                                                                                                                                                                             | # units resulting in energy-efficiency improvements:      |                            | -             | -                     | -              | C                    | C1                        |    |
|                                                                                                  |                                                                                                                                                                             | # units resulting in ADA improvements:                    |                            | -             | -                     | -              | C                    | C1                        |    |
| B: Promote new affordable housing opportunities.                                                 | Encourage the development of new affordable single-family, multi-family and special needs housing in the community through private developers and non-profit organizations. | Affordable Housing Development Program                    | Housing Units              | <b>20</b>     | SL-2                  | CDBG/HOME      | A, C, D              | A3, C2, D1                |    |
|                                                                                                  |                                                                                                                                                                             | Complete Kings Green single-family development            | Housing Units              | <b>3</b>      | SL-2                  | HOME           | A, C, D              | A3, C2, D1                |    |
|                                                                                                  |                                                                                                                                                                             | Support the efforts of the Housing Authority of Billings  | Five-Year Plan Implemented | <b>1</b>      | DH-2                  | ADMIN          | A, C, D              | A3, C2, D1                |    |
|                                                                                                  |                                                                                                                                                                             | Meet CHDO commitment / expenditure deadlines              | Years in compliance        | <b>1</b>      | SL-2                  | HOME           | C                    | C1                        |    |
|                                                                                                  | Provide affordable financing and support to promote homeownership opportunities citywide.                                                                                   | First Time Homebuyer Program                              | Households                 | <b>35</b>     | SL-2                  | CDBG/HOME      | C                    | C1                        |    |
|                                                                                                  |                                                                                                                                                                             |                                                           | Cumulative Households      | -             | -                     | -              | -                    | -                         |    |
|                                                                                                  |                                                                                                                                                                             | First Time Homebuyers - MBOH Set-Aside Use                | Households                 | <b>7</b>      | DH-2                  | -              | -                    | C                         | C1 |
|                                                                                                  |                                                                                                                                                                             |                                                           | Leveraged Funding          | <b>\$0.8M</b> | -                     | -              | -                    | C                         | C1 |
|                                                                                                  |                                                                                                                                                                             | Homebuyer Education                                       | Households                 | <b>200</b>    | EO-3                  | CDBG/HOME      | A, C                 | A1, C1, C2                |    |
|                                                                                                  | Billings Partners American Indian Homeownership                                                                                                                             | Homeownership Rate (1992 benchmark: 22%)                  | <b>0.08</b>                | EO-1          | ADMIN                 | A, B, C, D     | A2, B1, C1, C2, D1   |                           |    |
| Benchmark Performance Measures                                                                   | % of total funding allocated to promote new housing opportunity citywide:                                                                                                   |                                                           | <b>48%</b>                 | -             | -                     | C              | C1                   |                           |    |

| Strategy                                                                                                                                                                    | Objective                                                                                                      | Activity                                                                                                                  | Measurement Type                                                       | FY11-12 Goals | Objectives / Outcomes | Funding Source | AI Barriers Impacted | AI Strategies Implemented      |                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|---------------|-----------------------|----------------|----------------------|--------------------------------|--------------------------------|
| C: Active partnerships with non-profits, neighborhood groups and others to address housing and community development specific to lower income and special needs households. | Support partnerships and regular meetings to facilitate community participation and collaboration.             | Affordable Housing Task Force                                                                                             | Monthly Meetings                                                       | 10            | DH-2                  | ADMIN          | B, C                 | B1, C1, C2                     |                                |
|                                                                                                                                                                             |                                                                                                                | Adjacent Neighborhood Committee                                                                                           | Quarterly Meetings                                                     | 4             | SL-1                  | ADMIN          | A, C                 | A1, C1                         |                                |
|                                                                                                                                                                             |                                                                                                                | Billings Partners American Indian Homeownership                                                                           | Monthly Meetings                                                       | 10            | EO-1                  | ADMIN          | A, B, C, D           | A2, B1, C1, C2, D1             |                                |
|                                                                                                                                                                             |                                                                                                                | Analysis of Impediments to Fair Housing Choice completed in December 2013 to implement activities for 2014-2019           | Analysis / Plan completed                                              | 0.2           | SL-1                  | ADMIN          | A, B, C, D, E        | A1, A2, A3, B1, C1, C2, D1, E1 |                                |
|                                                                                                                                                                             | Support task force newsletters and further capacity-building for self-sustainability.                          | Task Force newsletter support                                                                                             | Newsletters                                                            | 10,000        | SL-1                  | ADMIN          | A, C, D              | A1, A2, C1, D1                 |                                |
|                                                                                                                                                                             | Encourage activities that promote fair housing and increase awareness of the rights of protected classes.      | Continue to support organizations with an interest in fair housing to apply for FHIP, facilitate application if necessary | Annual submission of FHIP grant representing residents of Billings     | 1             | SL-1                  | ADMIN          | A, B, C, D, E        | A1, A2, A3, B1, C1, C2, D1, E1 |                                |
|                                                                                                                                                                             | Encourage collaboration to better address needs and to respond to opportunities for special needs populations. | Mayor's Committee on Homelessness                                                                                         | Bi-Monthly Meetings                                                    | 6             | EO-3                  | ADMIN          | C                    | C1                             |                                |
|                                                                                                                                                                             |                                                                                                                | Assist in the implementation of Welcome Home Billings, the City's ten-year plan to impact homelessness.                   | Completed FY09-11 & FY11-13 Action Plans                               | 1             | SL-1                  | ADMIN          | C                    | C1                             |                                |
|                                                                                                                                                                             |                                                                                                                |                                                                                                                           | Completed FY09-11 & FY11-13 Performance Reports                        | 1             | SL-3                  | ADMIN          | C                    | C1                             |                                |
|                                                                                                                                                                             |                                                                                                                | Facilitate AmeriCorps*VISTA application and pursue project status                                                         | Annual submission of VISTA grant application / VISTA member placements | 1             | EO-1                  | ADMIN          | C, D                 | C2                             |                                |
|                                                                                                                                                                             | Benchmark Performance Measures                                                                                 | % of total funding allocated to support partnerships:                                                                     |                                                                        |               | 15%                   | -              | -                    | -                              | -                              |
|                                                                                                                                                                             |                                                                                                                | % of total funding (or \$ amount) to support fair housing initiatives:                                                    |                                                                        |               | -                     | -              | CDBG                 | A, B, C, D, E                  | A1, A2, A3, B1, C1, C2, D1, E1 |
|                                                                                                                                                                             |                                                                                                                | # fair housing complaints referred to HUD (track only if FHIP award is granted):                                          |                                                                        |               | -                     | -              | ADMIN/FHIP           | A, B, C, D, E                  | A1, A2, A3, B1, C1, C2, D1, E1 |
| D: Promote the preservation and revitalization of the community's older neighborhoods.                                                                                      | Preserve housing stock in older, lower-income neighborhoods.                                                   | See objectives / activities / goals outlined in Strategy A                                                                |                                                                        | -             | SL-1                  | -              | C                    | C1                             |                                |
|                                                                                                                                                                             | Infill development of vacant lots and redevelopment of substandard properties.                                 | Affordable Housing Development Program                                                                                    | See goals for Strategy B                                               | -             | SL-3                  | CDBG/HOME      | C                    | C1                             |                                |
|                                                                                                                                                                             |                                                                                                                | Redevelopment 27th Street Corridor                                                                                        | Redevelopment Projects                                                 | 1             | SL-3                  | ADMIN          | -                    | -                              |                                |

| Strategy                                                                                                                                                              | Objective                                                                                                                                                                                           | Activity                                                                                                 | Measurement Type        | FY11-12 Goals | Objectives / Outcomes | Funding Source | AI Barriers Impacted | AI Strategies Implemented |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------|---------------|-----------------------|----------------|----------------------|---------------------------|
| D: Promote the preservation and revitalization of the community's older neighborhoods, continued.                                                                     | Support activities that provide amenities, neighborhood stabilization and maintain infrastructure needs.                                                                                            | Tree Program                                                                                             | Individuals             | 10            | SL-3                  | CDBG           | C                    | C1                        |
|                                                                                                                                                                       |                                                                                                                                                                                                     | Neighborhood improvements through the Capital Improvement Plan (CIP)                                     | CIP Years Implemented   | 1             | SL-3                  | -              | C                    | C1                        |
|                                                                                                                                                                       |                                                                                                                                                                                                     | Special Assessment Grants                                                                                | Housing Units           | 4             | SL-2                  | CDBG           | C                    | C1                        |
|                                                                                                                                                                       | Benchmark Performance Measures                                                                                                                                                                      | % of total funding allocated to preserving older neighborhoods:                                          |                         | 3%            | -                     | -              | C                    | C1                        |
| E: Provide assistance to agencies serving lower income and special needs populations, particularly the homeless, the elderly, minorities and those with disabilities. | Provide CDBG Public Service funding and HOME Tenant-Based Rental Assistance (TBRA) for deposits to non-profit organizations and provide assistance for supportive services, including job creation. | CDBG Public Service and HOME TBRA funding allocations for basic needs assistance and supportive services | Years Funding Committed | 1             | EO-1                  | CDBG/HOME      | C                    | C1                        |
|                                                                                                                                                                       |                                                                                                                                                                                                     |                                                                                                          | Organizations           | 4             | EO-3                  | CDBG/HOME      | C                    | C1                        |
|                                                                                                                                                                       | Benchmark Performance Measures                                                                                                                                                                      | % of total funding to support basic needs of special and lower-income populations:                       |                         | 9%            | -                     | CDBG/HOME      | A, C                 | C1, A3                    |
| Overall Benchmark Performance Measures                                                                                                                                | Total Budget Allocated                                                                                                                                                                              |                                                                                                          |                         | -             | -                     | -              | -                    | -                         |
|                                                                                                                                                                       | Leveraging Ratio                                                                                                                                                                                    |                                                                                                          |                         | -             | -                     | -              | -                    | -                         |
|                                                                                                                                                                       | CDBG Timeliness Compliance                                                                                                                                                                          |                                                                                                          |                         | < 1.5         | -                     | -              | -                    | -                         |
|                                                                                                                                                                       | # active CHDOs                                                                                                                                                                                      |                                                                                                          |                         | -             | -                     | -              | -                    | -                         |
|                                                                                                                                                                       | # of faith-based organizations funded                                                                                                                                                               |                                                                                                          |                         | -             | -                     | -              | -                    | -                         |
|                                                                                                                                                                       | Cumulative \$ of HOME funding used for homebuyer activities as of June 30 of each year                                                                                                              |                                                                                                          |                         | -             | -                     | -              | -                    | -                         |
|                                                                                                                                                                       | % of previous year's HOME funding committed (for FY10-11, measure FY09-10), as of June 30                                                                                                           |                                                                                                          |                         | -             | -                     | -              | C                    | C1                        |
|                                                                                                                                                                       | % of HOME CHDO funding reserved, two years ago (for FY10-11, measure FY08-09), as of June 30                                                                                                        |                                                                                                          |                         | -             | -                     | -              | C                    | C1                        |
|                                                                                                                                                                       | % of completed HOME rental disbursements to all rental commitments, benchmark subject to HUD adjustment                                                                                             |                                                                                                          |                         | > 72.37%      | -                     | -              | C                    | C1                        |
|                                                                                                                                                                       | % of completed CHDO disbursements to all CHDO reservations, benchmark subject to HUD adjustment                                                                                                     |                                                                                                          |                         | > 49.28%      | -                     | -              | C                    | C1                        |
|                                                                                                                                                                       | % of renters below 50% of the area median income                                                                                                                                                    |                                                                                                          |                         | > 70%         | -                     | -              | C                    | C1                        |
|                                                                                                                                                                       | <i>Note: 90% of rental and TBRA units must assist households less than 60% of the area median income</i>                                                                                            |                                                                                                          |                         |               |                       |                |                      |                           |
|                                                                                                                                                                       | % of occupied HOME rental units to all rental units, benchmark subject to HUD adjustment                                                                                                            |                                                                                                          |                         | > 90.81%      | -                     | -              | C                    | C1                        |
| Allocation years not distributed for HOME, benchmark subject to HUD adjustment                                                                                        |                                                                                                                                                                                                     |                                                                                                          | < 3.07%                 | -             | -                     | -              | -                    |                           |
| # of minority, disabled, elderly and female-headed households served                                                                                                  |                                                                                                                                                                                                     |                                                                                                          | -                       | -             | -                     | A, C           | C1, A3               |                           |

**Table 3B - Annual Affordable Housing Completion Goals**

July 1, 2011 through June 30, 2012 Goals

| <b>Activity</b>                                                                                         | <b>Measurement Type</b>                         | <b>3B Type</b>          | <b>3B Activity</b>      | <b>FY11-12 Goals</b>                     | <b># Completed</b> | <b>Funding Source</b> |
|---------------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------|-------------------------|------------------------------------------|--------------------|-----------------------|
| Housing Rehabilitation Loan Program                                                                     | Housing Units                                   | Homeowner               | Rehab Existing Unit     | 10                                       |                    | CDBG                  |
| Minor Home Repair Program                                                                               | Housing Units                                   | Homeowner               | Rehab Existing Unit     | 20                                       |                    | CDBG                  |
| Painting Program                                                                                        | Housing Units                                   | Homeowner               | Rehab Existing Unit     | 5                                        |                    | CDBG                  |
| Wheelchair and accessibility ramps                                                                      | Ramps - Housing Units                           | Combined Owner / Renter | Rehab Existing Unit     | 6                                        |                    | CDBG                  |
| Rehabilitation for special needs populations                                                            | Housing Units                                   | Homeowner               | Rehab Existing Unit     | 3                                        |                    | CDBG                  |
| Affordable Housing Development Program                                                                  | Housing Units                                   | Combined Owner / Renter | Production of New Units | 20                                       |                    | CDBG/HOME             |
| Complete Kings Green single-family development                                                          | Housing Units                                   | Homeowner               | Production of New Units | 3                                        |                    | HOME                  |
| First Time Homebuyer Program                                                                            | Households                                      | Homeowner               | Homebuyer Assistance    | 35                                       |                    | CDBG/HOME             |
| Special Assessment Grants                                                                               | Housing Units                                   | Homeowner               | Rehab Existing Unit     | 4                                        |                    | CDBG                  |
| Assist in the implementation of Welcome Home Billings, the City's ten-year plan to impact homelessness. | Completed FY09-11 & FY11-13 Action Plans        | Beneficiary             | Homeless Households     | <b>See Welcome Home Billings Reports</b> |                    | ADMIN                 |
|                                                                                                         | Completed FY09-11 & FY11-13 Performance Reports | Beneficiary             | Homeless Households     |                                          |                    | ADMIN                 |

**CONSOLIDATED PLAN ACTIVITIES BY HUD OBJECTIVE / OUTCOME: *Table 1C***

| <i>Objective</i>                                                                                                                                                            | <i>Activity</i>                                                                                                           | <i>Measurement Type</i>                                            | <i>FY11-12 Goals</i> | <i>HUD Objectives / Outcomes</i> | <i>Admin</i> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|----------------------|----------------------------------|--------------|
| <b>DECENT HOUSING &amp; AVAILABILITY / ACCESSIBILITY</b>                                                                                                                    |                                                                                                                           |                                                                    |                      |                                  |              |
| Provide financing and assistance through partnerships to facilitate needed repairs for special needs populations.                                                           | Wheelchair and accessibility ramps                                                                                        | Ramps - Housing Units                                              | <b>6</b>             | DH-1                             | -            |
| <b>DECENT HOUSING &amp; AFFORDABILITY</b>                                                                                                                                   |                                                                                                                           |                                                                    |                      |                                  |              |
| Provide financing and assistance through partnerships to facilitate needed repairs for special needs populations.                                                           | Rehabilitation for special needs populations                                                                              | Housing Units                                                      | <b>3</b>             | DH-2                             | -            |
| Encourage the development of new affordable single-family, multi-family and special needs housing in the community through private developers and non-profit organizations. | Support the efforts of the Housing Authority of Billings                                                                  | Five-Year Plan Implemented                                         | <b>1</b>             | DH-2                             | Admin        |
| Provide affordable financing and support to promote homeownership opportunities.                                                                                            | First Time Homebuyers - MBOH Set-Aside Use                                                                                | Households                                                         | <b>7</b>             | DH-2                             | -            |
| Support partnerships and regular meetings to facilitate community participation and collaboration.                                                                          | Affordable Housing Task Force                                                                                             | Monthly Meetings                                                   | <b>10</b>            | DH-2                             | Admin        |
| <b>SUITABLE LIVING ENVIRONMENT &amp; AVAILABILITY / ACCESSIBILITY</b>                                                                                                       |                                                                                                                           |                                                                    |                      |                                  |              |
| Support partnerships and regular meetings to facilitate community participation and collaboration.                                                                          | Adjacent Neighborhood Committee                                                                                           | Quarterly Meetings                                                 | <b>4</b>             | SL-1                             | Admin        |
| Support partnerships and regular meetings to facilitate community participation and collaboration.                                                                          | Analysis of Impediments to Fair Housing Choice completed in December 2013 to implement activities for 2014-2019           | Analysis / Plan completed                                          | <b>1</b>             | SL-1                             | Admin        |
| Support task force newsletters and further capacity-building for self-sustainability.                                                                                       | Task Force newsletter support                                                                                             | Newsletters                                                        | <b>10,000</b>        | SL-1                             | Admin        |
| Encourage activities that promote fair housing and increase awareness of the rights of protected classes.                                                                   | Continue to support organizations with an interest in fair housing to apply for FHIP, facilitate application if necessary | Annual submission of FHIP grant representing residents of Billings | <b>1</b>             | SL-1                             | Admin        |
| Encourage collaboration to better address needs and to respond to opportunities for special needs populations.                                                              | Assist in the implementation of Welcome Home Billings, the City's ten-year plan to impact homelessness.                   | Completed FY09-11 & FY11-13 Action Plans                           | <b>1</b>             | SL-1                             | Admin        |
| Preserve housing stock in older, lower-income neighborhoods.                                                                                                                | See objectives / activities / Goals outlined in Strategy A                                                                | See objectives / activities / Goals outlined in Strategy A         |                      | SL-1                             | -            |
| <b>SUITABLE LIVING ENVIRONMENT &amp; AFFORDABILITY</b>                                                                                                                      |                                                                                                                           |                                                                    |                      |                                  |              |
| Provide direct, affordable financing and assistance to low-income homeowners for the completion of needed repairs.                                                          | Housing Rehabilitation Loan Program                                                                                       | Housing Units                                                      | <b>10</b>            | SL-2                             | -            |
|                                                                                                                                                                             | Minor Home Repair Program                                                                                                 | Housing Units                                                      | <b>20</b>            | SL-2                             | -            |
|                                                                                                                                                                             | Painting Program                                                                                                          | Housing Units                                                      | <b>5</b>             | SL-2                             | -            |

| <i>Objective</i>                                                                                                                                                            | <i>Activity</i>                                                                                         | <i>Measurement Type</i>                                                | <i>FY11-12 Goals</i> | <i>HUD Objectives / Outcomes</i> | <i>Admin</i> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|----------------------|----------------------------------|--------------|
| Encourage the development of new affordable single-family, multi-family and special needs housing in the community through private developers and non-profit organizations. | Affordable Housing Development Program                                                                  | Housing Units                                                          | <b>20</b>            | SL-2                             | -            |
| Encourage the development of new affordable single-family, multi-family and special needs housing in the community through private developers and non-profit organizations. | Complete Kings Green single-family development                                                          | Housing Units                                                          | <b>3</b>             | SL-2                             | -            |
| Encourage the development of new affordable single-family, multi-family and special needs housing in the community through private developers and non-profit organizations. | Meet CHDO commitment / expenditure deadlines                                                            | Years in compliance                                                    | <b>1</b>             | SL-2                             | -            |
| Provide affordable financing and support to promote homeownership opportunities.                                                                                            | First Time Homebuyer Program                                                                            | Households                                                             | <b>35</b>            | SL-2                             | -            |
| Support activities that provide amenities, neighborhood stabilization and maintain infrastructure needs.                                                                    | Special Assessment Grants                                                                               | Housing Units                                                          | <b>4</b>             | SL-2                             | -            |
| <b>SUITABLE LIVING ENVIRONMENT &amp; SUSTAINABILITY</b>                                                                                                                     |                                                                                                         |                                                                        |                      |                                  |              |
| Encourage collaboration to better address needs and to respond to opportunities for special needs populations.                                                              | Assist in the implementation of Welcome Home Billings, the City's ten-year plan to impact homelessness. | Completed FY09-11 & FY11-13 Performance Reports                        | <b>1</b>             | SL-3                             | Admin        |
| Infill development of vacant lots and redevelopment of substandard properties.                                                                                              | Affordable Housing Development Program                                                                  | See goals for Strategy B                                               | -                    | SL-3                             | -            |
|                                                                                                                                                                             | Redevelopment 27th Street Corridor                                                                      | Redevelopment Projects                                                 | <b>1</b>             | SL-3                             | -            |
| Support activities that provide amenities, neighborhood stabilization and maintain infrastructure needs.                                                                    | Tree Program                                                                                            | Individuals                                                            | <b>10</b>            | SL-3                             | -            |
|                                                                                                                                                                             | Neighborhood improvements through the Capital Improvement Plan                                          | CIP Years Implemented                                                  | <b>1</b>             | SL-3                             | -            |
| <b>ECONOMIC OPPORTUNITY &amp; AVAILABILITY / ACCESSIBILITY</b>                                                                                                              |                                                                                                         |                                                                        |                      |                                  |              |
| Provide affordable financing and support to promote homeownership opportunities.                                                                                            | Billings Partners American Indian Homeownership                                                         | Homeownership Rate (1992 benchmark: 22%)                               | <b>40%</b>           | EO-1                             | Admin        |
| Support partnerships and regular meetings to facilitate community participation and collaboration.                                                                          | Billings Partners American Indian Homeownership                                                         | Monthly Meetings                                                       | <b>10</b>            | EO-1                             | Admin        |
| Encourage collaboration to better address needs and to respond to opportunities for special needs populations.                                                              | Facilitate AmeriCorps*VISTA application and pursue project status                                       | Annual submission of VISTA grant application / VISTA member placements | <b>1</b>             | EO-1                             | Admin        |
| Provide CDBG Public Service funding and HOME Tenant-Based Rental Assistance (TBRA) for deposits to non-profit organizations.                                                | CDBG Public Service and HOME TBRA funding allocations for basic needs assistance                        | Years Funding Committed                                                | <b>1</b>             | EO-1                             | -            |

| <i>Objective</i>                                                                                                             | <i>Activity</i>                                                                                          | <i>Measurement Type</i> | <i>FY11-12 Goals</i> | <i>HUD Objectives / Outcomes</i> | <i>Admin</i> |
|------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------|----------------------|----------------------------------|--------------|
| <b>ECONOMIC OPPORTUNITY &amp; SUSTAINABILITY</b>                                                                             |                                                                                                          |                         |                      |                                  |              |
| Provide affordable financing and support to promote homeownership opportunities.                                             | Homebuyer Education                                                                                      | Households              | 200                  | EO-3                             | -            |
| Encourage collaboration to better address needs and to respond to opportunities for special needs populations.               | Mayor's Committee on Homelessness                                                                        | Monthly Meetings        | 10                   | EO-3                             | Admin        |
| Provide CDBG Public Service funding and HOME Tenant-Based Rental Assistance (TBRA) for deposits to non-profit organizations. | CDBG Public Service and HOME TBRA funding allocations for basic needs assistance and supportive services | Organizations           | 4                    | EO-3                             | -            |

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

## SECTION EIGHT - Other Required Narratives

### Public Housing Strategy

The HAB serves local residents who are extremely low income, very low income, and low income. The HAB 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 by the HAB. The HAB will continue to assess and implement modernization funds to upgrade and restore units and complete energy efficient repairs as needed.

**Family Self-Sufficiency:** The HAB implements the Family Self-Sufficiency program whose graduates have a 55% homeownership rate. This program links participants to community agencies to help them become self-sufficient through individual goal setting. HAB has been operating the Section 8 Homeownership program since 2006. Thirty-five households have achieved homeownership through this program to date. Resident councils and the Advisory Board are involved in providing input on program needs and assisting others to become actively involved in the process. Additional information is included in the HAB's 5-Year Plan on file at the HAB office.

#### *Housing Authority of Billings Assistance Program Usage / Demand – October 2009*

| <i>Assistance Programs</i>      | <i>Vouchers / Units<br/>in Use</i> | <i>Waiting List</i> |
|---------------------------------|------------------------------------|---------------------|
| Housing Authority Section 8     | 579                                | 2,463               |
| State Section 8 (HAB manages)   | 480                                | 1,642               |
| Public HAB (Income Eligibility) | 271                                | 1,161               |
| MOD Rehab                       | 35                                 | 443                 |
| Homeless Veterans               | 35                                 | ?                   |
| <b>Total:</b>                   | <b>1,400</b>                       | <b>5,709</b>        |

*Source: Housing Authority of Billings*

### Public Housing Partnerships

The City has provided a police officer for the HAB's Drug Elimination program since 1992. The HAB has been paying for this officer from its Operating Fund for the past several years and intends to continue to support this position as long as financially possible. The City has granted the HAB funds to build new units through the HOME and CDBG programs in neighborhoods where HAB 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 HAB complexes have been built. The City has provided funding for parks and play areas for the neighborhoods where HAB families reside. In addition, the businesses that have moved into areas where HAB properties are located have contributed to the economic stability of the HAB clients. The City's HOME program assists with home ownership down payment assistance and home ownership counseling for clients considering homeownership.

The City coordinates with the HAB for environmental reviews, housing needs assessments, assists in funding new projects when appropriate, and assists with applications for supportive services when called upon for needed assistance. The HAB is a High Performer for PHAS and, therefore, a review of troubled status needs is not required as part of this Consolidated Plan.

### *Loss of Public / Assisted Housing Units*

The HAB does not anticipate any loss in public housing units during the period of this plan. Additionally, the City does not anticipate the loss of other assisted housing units in our community that are owned by other nonprofit housing providers during the period of this plan.

### *Barriers to Affordable Housing*

91.220(j)

Several barriers to the construction of affordable housing and maintaining residency in housing have been identified. They include:

- **Economic Conditions** – The Housing Needs Analysis reports median housing cost has exceeded median household income for certain household income levels. Lower income households have a difficult time affording and maintaining a suitable home in the current market and effects of the economic recession.
- **Cost of Development** - This includes infrastructure costs and leapfrog development.
- **Difficulty in Paying for Needed Repairs** - Many low-income households often pay the maximum percentage of their income for housing costs. Many of these households do not have the resources to pay for needed repairs to the property.
- **Few New Manufactured Housing Developments** - It is difficult for new manufactured housing developments to be approved, which raises the price of existing lots. Owners of manufactured homes have a difficult time finding an affordable place for their housing unit. While manufactured housing does have drawbacks, it also provides an affordable option for many families. The construction quality with manufactured housing continues to improve.
- **Tax Structure** - Dependence on property taxes to support local government costs, including infrastructure.

### *Specific Housing Objectives for the City*

Consolidated Plan strategies are identified following each objective and can be found in Section Eleven.

1. Homebuyer assistance is still needed to close the affordability gap, and has been provided through the First Time Homebuyer program. The Affordable Housing Development program can also be utilized to develop affordable housing. *(Strategy B)*
2. Support affordable housing development at the same levels. This goal is dependent on consistent levels of funding through CDBG and HOME programs. *(Strategy B)*
3. Provide affordable financing opportunities for housing repair to maintain the affordable housing stock. *(Strategy A)*
4. Provide CDBG / HOME financing opportunities through routine allocation processes and the Affordable Housing Development program. *(Strategy B)*

5. Offer affordable financing through the Affordable Housing Development program. *(Strategy B)*
6. Provide affordable financing for rental housing development / repair through the Affordable Housing Development program and deposit / rent assistance through Tenant Based Rental Assistance and Public Service grants. *(Strategies B and E)*
7. Prioritize Universal Design in Request for Proposal processes and also through the Affordable Housing Development program. *(Strategy B)*

## **Homeless Strategic Plan**

The Montana Continuum of Care (CoC) plans to facilitate increased partnership of local governments in addressing homelessness. The City supports this strategy and has become more involved with the CoC Coalition through the Mayor's Committee on Homelessness. A local Continuum of Care group has been convened through the Billings Area Resource Network. The Community Development Division works with service providers to shape outreach, referral and permanent supportive housing programs into a local continuum. Throughout this process, the City supports the Montana Continuum of Care's goals and strategies regarding homelessness, chronic homelessness, and homelessness prevention; the City also assists in the development of plans using services already in place.

*Welcome Home Billings* is the City's completed ten-year plan to impact homelessness. It is a comprehensive document that includes data, resources, cross-cutting strategic goals and programmatic goals. The "Strategic Framework" can be utilized as a tool and duplicated by other communities wishing to implement plans to impact homelessness. Further, the Mayor's Committee on Homelessness and the Billings Area Resource Network has committed to two-year action plans (located in the City's FY2010-2014 Consolidated Plan appendices) for implementation during FY2009-2011. These documents represent full commitments of the leadership involved in both groups, and primarily consist of fully-committed financial resources to implement the plans. Consolidated Plan Strategies are noted on the Programmatic Strategic Goals and Priorities for Housing, Prevention, Services and Assets.

# WELCOME HOME BILLINGS

## Strategic Framework

### Ten-year Plan to Impact Homelessness

**Vision:** No one in Billings has to be homeless. Everyone in Billings has access to tools and opportunities for safe, appropriate and affordable housing.

**Mission:** The Mayor's Committee on Homelessness has partnered with local organizations and community members to develop and implement a comprehensive ten-year plan in the pursuit of ending chronic homelessness in the Billings community.

## CROSS-CUTTING STRATEGIC GOALS

|                |                                                                                                                                                                                                            |                                                                                                                                                                    |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COLLABORATION  | <b>A: Join community partners with resources to address homelessness intervention and prevention efforts and facilitate partnerships to improve collaboration, service array, leveraging and capacity.</b> |                                                                                                                                                                    |
|                | <b>A1:</b>                                                                                                                                                                                                 | Develop resources for funding homeless initiatives and coordinate grant efforts.                                                                                   |
|                | <b>A2:</b>                                                                                                                                                                                                 | Support Project Homeless Connect as an annual event.                                                                                                               |
|                | <b>A3:</b>                                                                                                                                                                                                 | Support the Billings Area Resource Network as a working homeless services / advisory body for the Mayor's Committee on Homelessness.                               |
|                | <b>A4:</b>                                                                                                                                                                                                 | Support the Business Consortium for Social Change to involve businesses in impacting the homeless / near-homeless.                                                 |
|                | <b>A5:</b>                                                                                                                                                                                                 | Create modes of communication between partnering organizations to facilitate coordination, avoid duplication, and increase collaboration to maximize resources.    |
| AWARENESS      | <b>B: Increase advocacy and public knowledge on behalf of the homeless.</b>                                                                                                                                |                                                                                                                                                                    |
|                | <b>B1:</b>                                                                                                                                                                                                 | Utilize the ten-year plan to provide guidance regarding homeless policy for local, state, and federal entities.                                                    |
|                | <b>B2:</b>                                                                                                                                                                                                 | Increase understanding of the causes and economic realities of homelessness through targeted public awareness campaigns for homeless projects and service events.  |
|                | <b>B3:</b>                                                                                                                                                                                                 | Promote understanding and respect for all people experiencing homelessness.                                                                                        |
|                | <b>B4:</b>                                                                                                                                                                                                 | Provide venues for those experiencing homelessness to have their ideas and concerns heard.                                                                         |
| ACCOUNTABILITY | <b>C: Ensure innovation, fiscal responsibility and long-term effectiveness for projects and programs.</b>                                                                                                  |                                                                                                                                                                    |
|                | <b>C1:</b>                                                                                                                                                                                                 | Support both prevention and intervention modalities for projects and programs.                                                                                     |
|                | <b>C2:</b>                                                                                                                                                                                                 | Closely monitor trends in the needs of the homeless and near-homeless in Billings in order to respond to community need.                                           |
|                | <b>C3:</b>                                                                                                                                                                                                 | Research innovation in homeless services and facilitate capacity-building with local service providers and community organizations to implement improved services. |
|                | <b>C4:</b>                                                                                                                                                                                                 | Support education efforts for case management, mentoring and services.                                                                                             |
| SUSTAINABILITY | <b>D: Ensure high standards for management, accountability and performance measurement.</b>                                                                                                                |                                                                                                                                                                    |
|                | <b>D1:</b>                                                                                                                                                                                                 | Embrace public involvement, comment and input for ten-year planning and project development efforts.                                                               |
|                | <b>D2:</b>                                                                                                                                                                                                 | Ensure performance measurements are implemented with each project and data is gathered and analyzed on a routine basis.                                            |
|                | <b>D3:</b>                                                                                                                                                                                                 | Evaluate projects for long-term sustainability as part of the routine processes prior to endorsement or facilitation.                                              |
|                | <b>D4:</b>                                                                                                                                                                                                 | Evaluate cost-effectiveness, essential services, and long-term business resource planning for all projects.                                                        |
|                | <b>D5:</b>                                                                                                                                                                                                 | Embrace public involvement, comment and input for ten-year planning and project development efforts.                                                               |

# WELCOME HOME BILLINGS

## Strategic Framework

### Ten-year Plan to Impact Homelessness

## PROGRAMMATIC STRATEGIC GOALS & PRIORITIES

| HOUSING                                                                                    |                                                                                                                                                                                            | PREVENTION                                                                                        |                                                                                                                                                                                                      | SERVICES                                                                                                  |                                                                                                                                                                                      | ASSETS                                                                                          |                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>E: Increase the city's supply of decent, affordable housing.</b><br>Con Plan Strategy B |                                                                                                                                                                                            | <b>F: Provide adequate emergency homeless prevention programs.</b><br>Con Plan Strategies B, C, E |                                                                                                                                                                                                      | <b>G: Expand treatment /service capacity and linkage to essential services.</b><br>Con Plan Strategy C, E |                                                                                                                                                                                      | <b>H: Increase personal income levels and economic opportunities.</b><br>Con Plan Strategy C, E |                                                                                                                                                                     |
| <b>E1:</b>                                                                                 | Increase supportive housing units, permanent rentals, transitional housing units, veterans housing, emergency shelter beds, housing for those returning from prison and those in recovery. | <b>F1:</b>                                                                                        | Increase funding dedicated to rent, utilities and mortgage assistance.                                                                                                                               | <b>G1:</b>                                                                                                | Expand coordinated intensive case management and street outreach services for the homeless.                                                                                          | <b>H1:</b>                                                                                      | Increase access to social service and income benefits by ensuring assistance is provided to complete applications.                                                  |
| <b>E2:</b>                                                                                 | Seek federal, state and local funding sources to support affordable housing development for households with very low income (0 - 30% Area Median Income).                                  | <b>F2:</b>                                                                                        | Support incentive programs for landlords to rent to the homeless or those at risk for homelessness, and increase service provider capacity to engage in long-term leasing and / or rental ownership. | <b>G2:</b>                                                                                                | Increase assistance to complete applications and facilitate application streamlining to access services, transportation, employment and housing.                                     | <b>H2:</b>                                                                                      | Support asset development, education, job training, and employment opportunities serving the homeless (and those at risk of homelessness) throughout the community. |
| <b>E3:</b>                                                                                 | Build local service provider capacity for affordable housing development, management and housing rehabilitation.                                                                           | <b>F3:</b>                                                                                        | Support pre-release / discharge planning education and intervention for all institutional services including foster care, prison, jail, and behavioral health facilities.                            | <b>G3:</b>                                                                                                | Increase availability and capacity of health care, mental health, substance abuse services, medication assistance and access to legal assistance to the very low income / uninsured. | <b>H3:</b>                                                                                      | Establish mentoring support systems, life skills training, and childcare assistance to the homeless (and those at risk of homelessness) currently in the workforce. |
| <b>E4:</b>                                                                                 | Provide Community Housing Development Organization (CHDO) capacity-building opportunities through the City's Community Development Division.                                               | <b>F4:</b>                                                                                        | Utilize <i>housing first</i> and <i>rapid re-housing</i> philosophies in developing housing options to shorten homelessness.                                                                         | <b>G4:</b>                                                                                                | Support increases in capacity for day center operations across the city.                                                                                                             | <b>H4:</b>                                                                                      | Support the expansion of financial fitness and credit assistance programs.                                                                                          |
| <b>E5:</b>                                                                                 | Decrease barriers to obtaining existing housing units and refine housing placement services and coordination.                                                                              | <b>F5:</b>                                                                                        | Support case management efforts to transition occupants from shelter care to permanent supportive housing.                                                                                           | <b>G5:</b>                                                                                                | Support expansion of community-based, criminal justice diversion and re-entry programs.                                                                                              | <b>H5:</b>                                                                                      | Promote fair wage rates and competitive bidding through the expansion of social enterprise efforts.                                                                 |
| <b>E6:</b>                                                                                 | Facilitate collaborative grant and loan applications for affordable housing development to serve the homeless.                                                                             | <b>F6:</b>                                                                                        | Support landlord-tenant intervention to prevent eviction.                                                                                                                                            | <b>G6:</b>                                                                                                | Establish one-stop shop to access all services for the homeless.                                                                                                                     | <b>H6:</b>                                                                                      | Increase financial management services for those in need.                                                                                                           |

### *Services in Place*

A complete list of service providers for the homeless can be found in the appendices. The City provides 15% of our annual CDBG allocation to Public Service activities in the community. In the past, the City has funded the YWCA Gateway Shelter, Tumbleweed Runaway and Homeless Youth Program, the District 7 Human Resources Development Council (HRDC), Family Service, Inc. and the Yellowstone Health Partnership. These programs provide services to the homeless and near-homeless and are described below.

The YWCA Gateway Shelter serves victims of domestic abuse and violence and sexual assault. CDBG funding is used to support general operating expenses of the program, which include housing, support, education, and advocacy for victims of domestic violence and sexual assault.

Tumbleweed Runaway and Homeless Youth Program is the only agency in Yellowstone County that directly addresses the needs of youth who are homeless, or at-risk of being homeless. The Tumbleweed program's goal is to divert youth from the juvenile justice system through the prevention of delinquency and other social problems. Youth are provided a positive alternative to running away / living on the streets. When youth are unable to return home, Tumbleweed provides shelter as appropriate, and also provides an alternative to jailing runaway and other status offender youth. Tumbleweed's mission and goals are all directed toward the prevention of homelessness, running away, severe family conflict, delinquency, and other social problems among youth.

HRDC receives Emergency Shelter Grants funds and provides emergency rent or mortgage assistance through those funds. They also administer the Low Income Energy Assistance Program for assistance in meeting the energy use needs of low-income families and individuals. Another program the HRDC administers is the Energy Share program, which helps low-income families remain in their homes. This program provides emergency utility assistance to low income families and individuals. The City provides funds to the HRDC for Housing Counseling, which prevents homelessness through default / foreclosure and rental counseling. Family Service, Inc. helps low-income individuals and families with emergency rent or mortgage expenses.

The City has provided funding to Yellowstone Health Partnership - Medication Assistance Program, which provides medications to low income households unable to pay for them, and also provides medications in the interim between the application and approval for SSI and Medicaid.

In addition to these activities, CDBG funding has been made available as a rehabilitation activity to build ramps for the disabled and to make accessibility improvements through the Housing Rehabilitation and Minor Home Repair programs.

HOME funding will also be available for housing for homeless and the special needs population, including Tenant-Based Rental Assistance. The City lists several goals and strategies in the Consolidated Plan which can be utilized to guide activities to assist the homeless, including promoting new affordable housing opportunities, emphasizing new / converted special needs housing, and working as an active partner with nonprofits, neighborhood groups, and others to address housing and community development needs.

### *Essential Services*

The Office of Public Assistance provides assistance for obtaining Food Stamps and Medicaid.

Food Banks are active participants in the local continuum and provide free groceries that oftentimes free up cash resources for rent, transportation and other essential needs. The City has funded the Food Bank with CDBG Public Services funds in the past to assist them in expanding their operational storage facility to meet ongoing and growing needs in the community.

The Salvation Army, St. Vincent de Paul and other faith-based organizations and churches in Billings also offer emergency assistance. Billings has the addition of a faith-based partnership, Interfaith Hospitality Network, to assist in providing assistance to homeless families. The Interfaith Hospitality Network is a unique partnership of area churches designed to assist homeless families by utilizing existing community resources. The churches provide rooms for overnight accommodations, congregations supply volunteers and food, and social service organization assess and refer homeless families to this and various other programs. Because the program utilizes volunteers, it does not accept person with substance abuse or untreated severe mental health issues. The program includes ten host congregations and four supporting congregations. The program does not require clients to attend church services or activities of the host congregation.

### *Discharge Coordination Policy*

The City does not receive McKinney-Vento Homeless Assistance Act funds and is not required to develop and implement a Discharge Coordination Policy. The City supports the MT CoC in their efforts to establish a Statewide Discharge Coordination Policy.

# Certification of Payments to Influence Federal Transactions

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

Applicant Name

Housing Authority of Billings

Program/Activity Receiving Federal Grant Funding

PHA Plans - FY 2011 - Capital Fund

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.  
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Lucy Brown

Title

Executive Director

Signature



Date (mm/dd/yyyy)

4/6/2011

**Resident Advisory Board Meeting  
2415 1<sup>st</sup> Ave North  
February 28, 2011**

**Attendees:** Lucy Brown, Patti Webster, Gib Glasson, Teddi Shorten, Vickie Davis, Greg Cook, Sandie Ellis, Valerie Devorak, Sharon Love, Sarah Clayton, Elizabeth Corcione, Phyllis Crawford, Megan Boyles, and Yancy Darnell

Attendees introduced themselves. Brown started the meeting by explaining the goals and objectives in the PHA 5-Year and Annual Plan for the Housing Authority of Billings (HUD-50075). Shorten gave an explanation of the streamline procedure to reduce vacancies, an example of change of documentation, reviewed the packets for issuance, and reviewed how the HA does its newsletters. Glasson explained the maintenance side of the plan and the change the Housing Authority made with the turn around with vacancies.

Brown informed the Resident Advisory Board about the 32 units the HA is building in the Heights. She explained that how important it is for the HA to be aware of the market and thoughtful of what is going on in the community when we are planning to build.

The meeting was then open for comment on the Section 8 side. Elizabeth Corcione asked why clients need to call and make an appointment when they have a simple question. Staff explained that case manager have appointments they are meeting with and unless someone is familiar with their file and where they are with the process it is better to leave a message or set an appointment so they can receive correct information then someone trying to help them without all the information. The PHA serves 1500 families and individuals so unfortunately appointments are necessary.

Next Glasson went over the 5-Year Capital Plan. The meeting then was open for comment on the Public Housing side. Crawford commented that it might be more efficient for Maintenance not cut the grass as short and water longer to keep it looking green. Mr. Glasson said he would speak with the lawn service. She said that the floors are slippery in the disability units. One accessible unit has had carpets put in to assist the client. She also suggested that the dust be vacuumed out of the water heaters occasionally and the dryer vents cleaned out. This will be reviewed as part of preventive maintenance program. Boyles expressed that the new laminate flooring in her unit is very slick, when the kids came in with water and snow on their boots. Brown suggested she put entry carpets by the door for entry and shoes and boots. Boyles also commented that the water from the rain gutter by the red rock falls directly on the sidewalk creating an ice patch in the winter. Mr. Glasson said he would see if they cut turn the spout the other way so the water did not drain on the cement.

Meeting adjourned

FY2010-2014

*July 1, 2010 through June 30, 2015*

# City of Billings Five-Year Consolidated Plan



Community Development Division  
PO Box 1178  
Billings, Montana 59103

DUNS #194782780

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## ***SECTION ONE - Executive Summary***

Five-year Consolidated Plans and one-year action plans are required by the U.S. Department of Housing and Urban Development (HUD) for the City of Billings to participate in and receive funding through the Community Development Block Grant (CDBG) and HOME Investment Partnership Programs (HOME).

The City of Billings, acting primarily through the Community Development Division, will continue to act as the lead agency for administration of the City's CDBG and HOME Program activities targeted to meet the goals of the Consolidated Plan. The City works closely with the Housing Authority of Billings, nonprofit organizations, private developers, lending institutions, and neighborhood groups to garner feedback on proposed strategies and also to meet the goals established in this Consolidated Plan.

Consolidated planning activities are also required for homeless programs funded under the McKinney-Vento Homeless Assistance Act and the Housing Opportunities for Persons with AIDS (HOPWA) Program. The City does not receive McKinney funds or HOPWA funds directly. Separate Consolidated Plans are prepared by the City of Great Falls, the City of Missoula, and the State of Montana for non-entitlement areas of the state. The structure and content of this plan are based on specific HUD requirement for the preparation of the Consolidated Plan. Many terms used in this document are specific to the Consolidated Plan process and HUD programs. The reader may consult with the City of Billings - Community Development Division for additional information.

Focused on CDBG and HOME activities, the Consolidated Plan combines 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:

1. **To provide decent housing**, including maintaining the affordable housing stock in the community, increasing the availability of permanent housing that is affordable to lower-income households without discrimination, increasing support of housing which enables persons with special needs to live independently, and assisting homeless persons obtain affordable housing.
2. **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 income groups 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.
3. **To expand economic opportunities**, including creating jobs accessible to lower-income individuals, providing access to credit for community development activities which promote long-term economic and social viability, and empowering lower-income persons living in federally assisted and public housing to achieve self-sufficiency.

**All activities undertaken by the City utilizing CDBG and HOME funding must primarily benefit low and moderate income persons.** The strategies described in the Consolidated Plan 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 in the plan.

### *Purpose of the Consolidated Plan*

The purpose of the Consolidated Plan is to identify the housing and community development needs of low-income households in Billings and develop strategies for addressing those needs in a comprehensive, coordinated fashion utilizing available federal and nonfederal resources.

Consolidated plans are developed every five years and must be submitted to HUD not less than 45 days prior to the start of the grantee's program year start date (July 1 for the City). The City's five-year Consolidated Plan for FY2010-2014 identifies activities to be carried out from July 1, 2010 through June 30, 2015 to address priority needs in the community and serves as a guiding document for the use of the City's CDBG Program and HOME funding. The City must also report on the performance of activities funded via the Comprehensive Annual Performance Evaluation Report (CAPER).

The FY2010-2014 Consolidated Plan followed a development process which integrated priorities identified in the 2009 Billings Housing Needs Assessment and the Analysis of Impediments to Fair Housing Choice. The development process also included input from neighborhood groups and public hearings on housing and community development needs, relative to findings from both data studies.

The FY2010-2014 Consolidated Plan was open for public comment extending from March 26, 2010 through April 26, 2010. A public hearing was held on April 26, 2010 during the Billings City Council meeting to accept public comments on the five-year Consolidated Plan and Community Development Board recommendations for funding allocation. The plan was adopted by the Billings City Council on April 26, 2010.

### *HUD Objectives and Outcomes*

HUD has developed specific performance measurements for each activity undertaken utilizing CDBG and / or HOME funding. The City's application process for funding through these programs includes identification of HUD objectives and outcomes to ensure compliance with activity requirements.

| <b>HUD PERFORMANCE MEASUREMENTS</b> |                               |
|-------------------------------------|-------------------------------|
| <i>Objectives</i>                   | <i>Outcomes</i>               |
| Suitable Living Environment         | Availability or Accessibility |
| Decent Housing                      | Affordability                 |
| Economic Opportunities              | Sustainability                |

### *Past Performance*

The City - Community Development Division receives comments from HUD regarding action plans and performance annually. Overall evaluations conclude the City's CDBG and HOME programs are making strides in providing affordable housing and addressing community needs. Please refer to the latest Comprehensive Annual Evaluation Report (CAPER) for an analysis of the City's performance on Consolidated Plan goals for recent years and the resources utilized to meet objectives established.

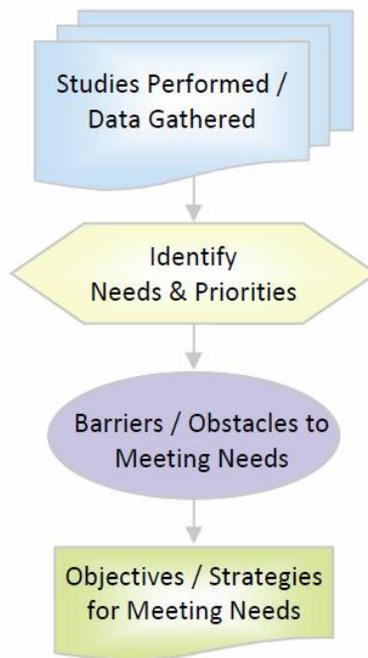
### *Community Development Division Vision / Mission*

*Vision:* The Community Development Division acts as a catalyst for joining community partners with resources to increase access to housing, to create a sustainable community, and to promote neighborhood revitalization.

*Mission:* The Community Development Division strives to exceed the expectations of our stakeholders by supporting our housing and community partners with quality leadership, accountability, and innovative programs and services.

### *Report Standards*

All reports generated by the Community Development Division are based on studies and data, the identification of needs and priorities, identifying obstacles and barriers to meeting those needs, and creating objectives and strategies to meet identified needs.



## SECTION TWO - Consultation & Coordination

91.200(b) & 91.215(l)

### General

91.100(a)(1)

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 Plan. 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, persons with HIV / AIDS and their families, and homeless individuals and families.

The Consolidated Plan is distributed widely during the public comment period and interested persons can attend a number of staff-facilitated, regularly scheduled meetings to find out more about Community Development initiatives. Routine meetings are facilitated through staff for the Community Development Board, the Adjacent Neighborhood Committee, the Billings Partners for American Indian Homeownership, the Affordable Housing Task Force, the Billings Area Resource Network and the Mayor's Committee on Homelessness. Additional information regarding these groups can be found throughout the Consolidated Plan.

The City impacts new and existing housing development and neighborhood revitalization through neighborhood planning, development standards, capital improvement programs, the Annexation Policy, and the Growth Policy.

### Regulation Citations

Throughout the Consolidated Plan, staff have identified regulatory citations for the Code of Federal Regulations (CFR), shown in italics. The code references are located in sections of the Consolidated Plan required by regulation.

### *Homeless Strategy & Housing Opportunities for Persons with AIDS*

91.100(a)(2) & 91.100(b)

Public and private agencies have assisted the City in developing a ten-year plan to impact homelessness, *Welcome Home Billings*. Local organizations that provide housing, health services, and social services have been intricately involved in planning processes for the homeless and chronically homeless, including members of the *Mayor's Committee on Homelessness* and the *Billings Area Resource Network*. The City does not receive Housing Opportunities for Persons with AIDS (HOPWA) funding directly, but collaborates with the *Yellowstone AIDS Project* to implement goals and objectives to support HOPWA funding.

### Adjacent Governments

91.100(a)(4)

Communication regarding non-housing community development needs is conducted via collaboration through homeless initiatives and agencies serving the disabled. Adjacent governments include: the State Department of Public Health and Human Services; homeless presentation regarding the City's ten-year plan to impact homelessness, *Welcome Home Billings*, to the Yellowstone County Commissioners; and communication and recommendations to the State Continuum of Care coordination group.

Collaboration regarding economic development initiatives includes communication with the Big Sky Economic Development Authority, the Native American Development Corporation and other development agencies.

### *Metropolitan Planning*

91.100(a)(5)

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, Transportation Plan and Neighborhood Plans collectively. All projects are reviewed for residential access to public transportation.

### *Public Housing*

91.100(c)

The Housing Authority of Billings (HAB) is primarily responsible for administration of the public housing and Section 8 Programs for the community. HAB will continue to work on developing additional units of low-income housing in Billings. HAB is an independent organization established under the laws of the State of Montana. Board members for HAB are appointed by the Mayor for the City of Billings. The City enjoys a cooperative and collaborative relationship with HAB.

## ***Citizen Participation Plan***

91.200(b)

The Citizen Participation Plan for the City is designed to ensure citizen involvement in the planning and reporting on the City's programs covered under the HUD Consolidated Plan requirements. The purpose of the Citizen Participation Plan is to ensure that citizens, nonprofit organizations, and other interested parties are afforded adequate opportunity to review and comment on plans, programs, activities and reports regarding the City's federally funded housing and community development programs.

### ***Citizen Participation Plan Objectives***

The primary objectives of the City's Consolidated and Citizen Participation Plans are to:

- Encourage citizen participation in the development of the Consolidated Plan and the Comprehensive Annual Performance and Evaluation Report (CAPER) with emphasis on participation from individuals and households identified as low to moderate income, residents of blighted areas, minorities, those with limited English proficiency, the disabled, and those residing in areas where funding will be utilized.
- Provide citizens with reasonable and timely access to meetings, information and records relating to the City's plan for utilizing funding in addition to allowing reasonable opportunity to comment on the Consolidated Plan, the Citizen Participation Plan and the CAPER.
- Finalize consultation with the Housing Authority of Billings on the development and implementation of the Consolidated Plan through the Annual Action Plan, which includes input from residents of public and assisted housing.
- Provide technical assistance to neighborhood task forces which represent the low to moderate income and the highest concentrations of minority populations in Billings.
- Provide public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program. All hearings and meetings shall be provided in areas where accommodations for the disabled can be provided.

### ***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 from lower-income neighborhoods of the City as defined by federal regulations for the Community Development Block Grant (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 primary responsibilities of the board are to review existing and proposed City policies and to review the Community Development Division's activities to ensure policies are being implemented and carried out.

The Community Development Board makes recommendations to the City Council regarding the Consolidated Plan, the Annual Action Plan, the Citizen Participation Plan, and the Comprehensive Annual Performance and Evaluation Report (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*

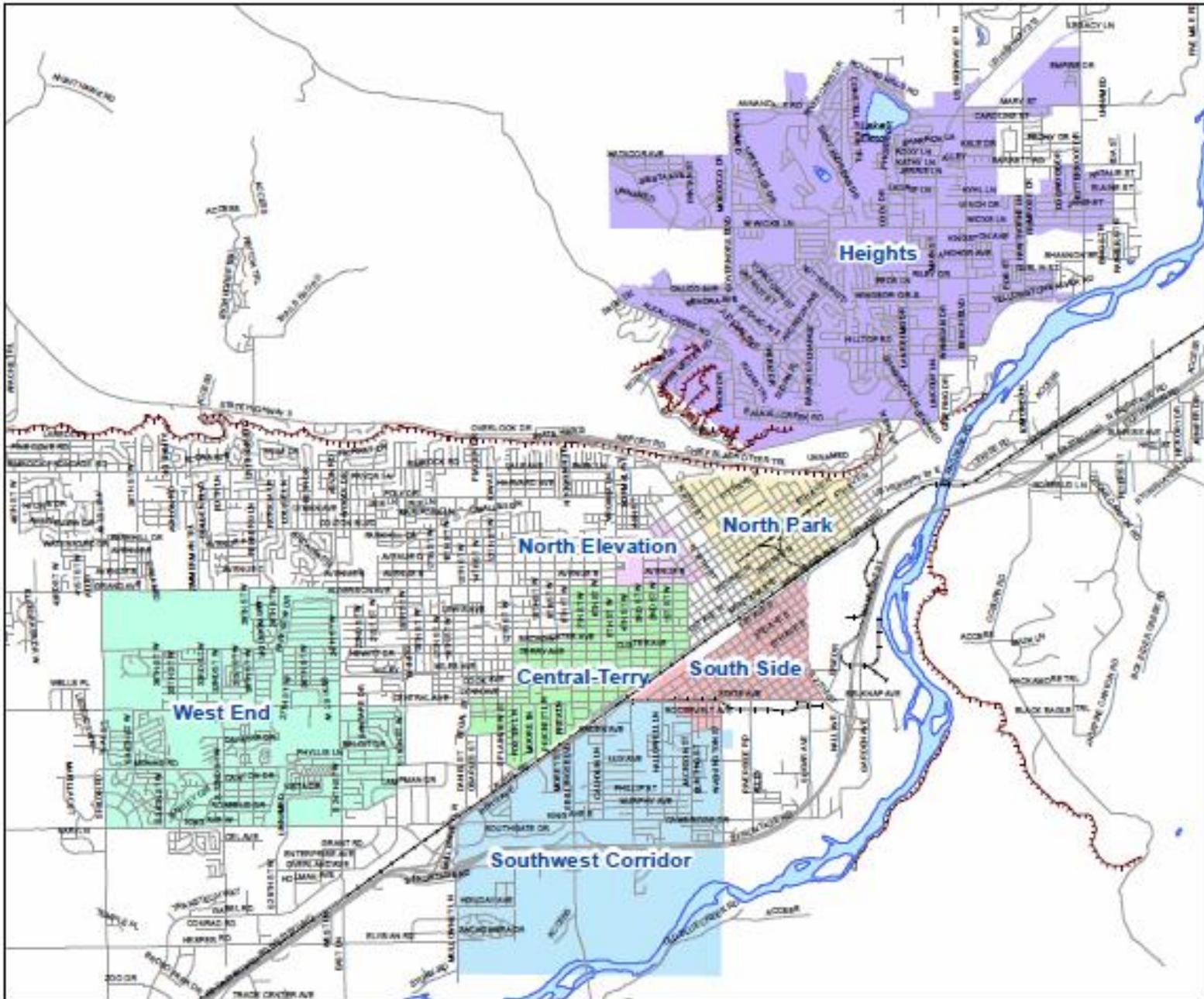
The Billings City Council is the final citizen policy body that reviews and takes action on the Annual Action Plan, including the Citizen Participation Plan. The Community Development Board presents recommendations to the City Council during a scheduled work session preceding the public hearing in April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

### *Neighborhood Task Forces Representing Low / Moderate Income Households*

In order to encourage citizen participation emphasizing the involvement of lower-income residents in areas where housing and community development funds may be spent, the City will continue to work with neighborhood organizations representing the City's lower-income areas. These areas are predominantly illustrated as established Task Force areas in Billings. A map of the City's lower-income areas is located on the following page.

The City will continue to work with neighborhood task forces that represent the community's lower-income areas to ensure input from these areas in the development and implementation of the City's community development strategies as described in the Consolidated Plan. The City will also continue to support the activities for the Adjacent Neighborhood Committee, which is comprised of Task Force Officers who meet bi-monthly to collaborate and exchange information regarding the task force areas. The Community Development Division supports task force functions through the distribution of monthly newsletters to over 1,400 recipients, by facilitating the Adjacent Neighborhood Committee, and by requesting project rankings from task force participants on housing and neighborhood activities for the annual allocation process.

The Community Development Division staff attends meetings of lower-income task force neighborhoods when requested for specific presentations. Staff also provides information regarding housing and community development programs and activities during each allocation process and garners rankings of housing / neighborhood activities preferred for funding.



## *Participation through Partnerships*

The Community Development Division's vision is to act as a catalyst for joining community partners with resources to increase access to housing, to create a sustainable community and to promote neighborhood revitalization. The Division's mission focuses on striving to exceed the expectations of our stakeholders by supporting housing and community partners with quality leadership, accountability, and innovative programs and services. Guiding values and principles include:

- Embracing diversity and being respectful of all viewpoints.
- Utilizing creativity to develop best practices in programs, administration, and community service.
- Recognizing that our first responsibility is to low and moderate income individuals who would most benefit from programs.
- Showing integrity as public servants to thoughtfully manage and pursue resources to the benefit of the community.

Establishing and maintaining partnerships with myriad organizations that support the community vision is the keystone to the Division's planning efforts. In addition to neighborhood task forces and the Adjacent Neighborhood Committee, the Community Development Division supports the following organizations and includes their input throughout the year:

- ***Affordable Housing Task Force*** – The Affordable Housing Task Force is comprised of lenders, realtors, the Housing Authority of Billings, local housing developers, and other organizations working in housing to ensure coordination and collaboration in identifying needs, undertaking actions to meet those needs, and evaluating activity effectiveness. The vision of the group is to successfully identify the housing needs of the community and provide expertise and innovative solutions to ensure attainable housing for all. Their mission is to work as a positive voice coordinating action, and organizing and energizing efforts to promote affordable housing in the Billings area.
- ***Billings Partners for American Indian Homeownership*** – The Billings Partners for American Indian Homeownership (BPAIH) was formed in order to provide an organized approach to outreach and education for American Indians who would like to purchase a home. This group has identified a 26% American Indian homeownership rate compared to 67% for whites and 45% for blacks and Hispanics. Their vision is to increase American Indian private homeownership in the greater Billings community. This organization is comprised of lenders, realtors, housing organizations, credit counseling organizations, Indian Health Service, Yellowstone County Extension Office, and others.
- ***Mayor's Committee on Homelessness*** - The Mayor's Committee began meeting in June 2006 following Mayor Tussing's charge to develop a 10-Year Plan to address the needs of the chronically homeless in Billings. The development of this plan was part of a national movement to change the way in which communities address homelessness and was the first of its kind in Montana. To date, over 300 cities across the nation have committed to implementing 10-Year Plans to impact chronic homelessness. The Mayor's Committee includes representation from a broad stakeholder group including housing / service providers, civic / business leaders, economic / work force agencies, faith based / philanthropy groups, and other interested parties.
- ***Fair Housing Organizations*** – The City actively partners with organizations with an interest in fair housing and has facilitated several grant applications for the Fair Housing Initiative Program (FHIP) available competitively through HUD. The City was awarded this grant in 2006 for over

\$93,000. In 2007 and 2008 grant awards were made for over \$99,000 for each year. Previous partners and sub-recipients of FHIP funding include: homeWORD, the Community Housing Resource Board, Interfaith Hospitality Network, the Billings Partners for American Indian Homeownership and Yellowstone County Council on Aging in Billings.

### *Racial / Minority Participation*

The City's most concentrated minority populations are located in the Southside, Southwest Corridor, North Park, North Elevation, and Central – Terry Park Task Force neighborhoods. Outreach efforts include ongoing communication through task force newsletters, the Adjacent Neighborhood Committee, the Billings Partners for American Indian Homeownership, the Mayor's Committee on Homelessness, and the Billings Area Resource Network. Further details are located in Section Five - Geographic Data.

### *Persons with Disabilities & Reasonable Accommodation*

The City will provide accommodations for individuals with disabilities in public meetings, public hearings and in written documentation regarding programs and services available from the Division. Statements are included in notices of public hearings and service brochures indicating that office and hearing locations are accessible to persons with disabilities. Accommodations can be made for other disabilities as well.

### *Limited English Proficiency Plan & Language Assistance Plan*

The City complies with federal regulations regarding the provision of a Limited English Proficiency Plan and Language Assistance Plan in order to adequately provide for the needs of those individuals who have self-identified a primary language which is not English. Statements are included in notices of public hearings and service brochures regarding the availability of language interpretation for those requiring this accommodation.

### *Technical Assistance*

The Community Development Division provides technical assistance as requested and as staff time allows to lower income groups to develop proposals for housing and community development activities in the City limits. The technical assistance is offered any time proposals for the use of funding are requested, and is offered routinely in January prior to application deadlines for CDBG / HOME funding allocations.

### *Public Involvement & Consolidated Plan Review*

Citizen participation is the foundation of housing and community development programs. Reasonable efforts are made to make all citizens aware of public hearing and citywide events concerning the development of the Annual Action Plan.

City Council agendas covering housing and community development programs are made available to the public as required by Montana State Law. The City follows State Law governing advertising of public hearings required for CDBG and HOME activities. The City is required to advertise the public hearing on

two consecutive Thursdays prior to the City Council Meeting on Monday or Tuesday in the event of a holiday.

Plans and reports on the City's housing and community development activities are made available for review by citizens, public agencies, and other interested parties. These documents are available at the Community Development Division and posted on its website at [www.ci.billings.mt.us](http://www.ci.billings.mt.us). All records regarding these activities are maintained according to the City Record Retention Schedule and as required by federal regulations.

### *Public Hearings*

The City holds three public hearings each year regarding housing and community development activities. The first public hearings are held each March by the Community Development Board to gather public input on the community and housing needs of Billings and strategies to meet those needs through Budget Hearings. The second public hearing is held by the City Council in April to provide nonprofit agencies, organizations, and individuals with an opportunity to provide input on the Consolidated Plan and the allocation of CDBG and HOME funds in the community. The third public hearing is held by the City Council in September to gather public input on the City's performance and progress in meeting the strategies included in the City's Five-Year Consolidated Plan and Annual Action Plan for the previous fiscal year ending each June 30<sup>th</sup>. All public hearings are accessible to disabled individuals, publicized as required by State law and allow for accommodation of individuals with hearing, visual, or mobility impairments.

### *Report & Plan Availability*

The availability of the reports and plans required under the Consolidated Plan is published in the local newspaper with complete copies available on the internet at [www.ci.billings.mt.us](http://www.ci.billings.mt.us) and at the City's Community Development Division. The public notice describes the contents and purpose of each document including the location at which the complete plan can be examined. Subrecipients, housing partners, and neighborhood task force chairpersons are contacted regarding the availability of the information described above.

A summary of the plan development process and public comments received during this process will be included in final version of the Consolidated Plan, Annual Action Plans, and Comprehensive Annual Performance and Evaluation Report submitted to the U.S. Department of Housing and Urban Development. The Community Development Division office is located at the Parmly Billings Library, 4<sup>th</sup> Floor, 510 North Broadway, Billings, Montana 59101 and has office hours Monday through Friday, 8:00am to 5:00pm.

### *Public Comments*

Public comments are requested at least 30 days prior to submission of reports required under HUD's Consolidated Plan process. The City will consider 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 are not accepted for inclusion in the Plan, the City will provide written explanation of why those comments were not accepted.

The City will provide written responses to all written complaints and grievances related to the Consolidated Plan requirement and the City's housing and community development programs within 15 working days of receipt of the complaint or grievance where practical.

For the purposes of reviewing the specific five-year Consolidated Plan, public hearings were held on the following dates:

- March 18, 2010 - 9:00am - 2:00pm (advertised March 4 & 11, 2010)
- March 19, 2010 - 9:00am - 2:00pm (advertised March 4 & 11, 2010)
- April 26, 2010 - 6:30pm (advertised March 25, 2010 and April 8, 2010)

The public comment period was held from March 26, 2010 through April 26, 2010, and the Consolidated Plan was available online at [www.ci.billings.mt.us](http://www.ci.billings.mt.us).

Public comments submitted for the Consolidated Plan include the following:

- **Jim Hartung:** Said he was the vice chair of the Community Development Board and was available to answer any questions. Councilmember Gaghen said she had served on the Community Development Board years ago and was well aware of the amount of time and effort that went into the whole process. She thanked Mr. Hartung for the Board's commitment.
- **Paul Chinberg:** Said he was the Executive Director of Family Service, Inc. and was present to encourage Council's approval. He said Family Service, Inc. had seen a 25% increase in people asking for assistance; many who were just on the verge of homelessness; and their program was intended to prevent homelessness. He said the additional funding would help them provide for their neighbors in need.
- **Adela Awner:** Said she was the Executive Director of Interfaith Hospitality Network, whose mission was to help homeless families achieve and sustain independence. She said she would like to thank the Community Development Board for their work. She said they, too, had seen a significant increase in people coming to them seeking help. Ms. Awner said those who come into their program are having a much more difficult time finding jobs. She said they required their families to find work and save their money for the first month's rent and deposit, but because of the job situation, that was taking much longer to achieve. She said the funding would help the families with their first month's rent and deposit and utility deposits, so they could move families out faster and take in new families. Ms. Awner encouraged council's approval.
- **Mary Lou Affleck:** Said she was the Vice President of Rebuilding Together Yellowstone County. She said they were a volunteer organization preserving affordable housing. Ms. Affleck thanked the Community Development staff and asked for Council's approval.
- **Darrell LaMere:** Said he was a housing services specialist with homeWORD. Mr. LaMere said last year they had served 243 families in Billings with First Time Homebuyer applications and presented a copy of statistics for the record. Mr. LaMere asked for Council's approval. Councilmember Ronquillo asked Mr. LaMere if they continued to meet at Southern Lights and complimented Mr. LaMere on the good job they were doing. Mr. LaMere said they still held their classes at Southern Lights located at 801 South 28th Street.
- **Ernan Cortes:** Said he was the Executive Director of the Community Housing Resource Board. He said the Board asked Council to approve the recommendation regarding the disbursement of funds. He thanked Ms. Beckett for being their liaison. He said the Community Housing Resource Board was founded in 1992 and played an integral part in providing fair housing. Mr. Cortes also

thanked Council for proclaiming April as Fair Housing Month. He said the Community Housing Resource Board was reaching out to all active partners and nonprofits to hopefully consolidate and leverage their ability to seek out funds, and it was his goal to reach out to everyone, including the Human Relations Commission and others, so the Community Housing Resource Board could provide and share the funding that the Community Development Board granted them to those who did not have funding.

### *Criteria for Amending the Consolidated Plan*

24 CFR part 91.105(c) of the Final Rule requires grantees of CDBG and HOME programs make public the criteria the City will use for determining what changes in planned or actual activities constitute a substantial amendment to the Five-Year Consolidated Plan. An amendment to the approved plan will occur when the City of Billings decides:

- Not to carry out a project or activity described in the plan.
- To carry out a project not previously described.
- Substantially change the purpose or scope of a project.

Prior to the submission of any substantial change in the proposed use of federal housing and community development funds, the City of Billings will hold a public hearing to allow citizens reasonable notice of, and opportunity to comment on, proposed amendments. Public comment periods will not be less than thirty (30) days.

Substantial changes are defined as the creation of any new budget line item to be funded under the City's HOME and CDBG programs, or a budget amendment resulting in an increase or decrease in a previously approved line item of more than \$25,000.

## SECTION THREE - Strategies & Compliance

### Overall Strategies

This section combines overall strategies and regulatory references for Consolidated Plans in one area for ease of reference. Federal regulations accompany all federal funding allocations and all activities / projects funded through the Community Development Division's CDBG and HOME programs.

### Institutional Structure

91.215(k)(l)

As previously mentioned, the City's dedication to partnerships and inclusive participation contributes to the community's ability to meet overall community development goals. The Community Development Division is committed to assisting in capacity-building efforts for local nonprofit organizations and local partners in order to build a stronger community, and will continue to act as a catalyst to bridge the gaps between resources and organizations that can meet community need through housing development, social services and economic development.

Other organizations involved with housing and community development in Billings include:

- **Neighborhood Groups:** South Side Neighborhood Task Force, North Park Task Force, Central-Terry Park Neighborhood Task Force, North Elevation Task Force, Southwest Corridor Task Force, West End Task Force, and the Heights Community Development Task Force.
- **Economic Development Organizations:** Downtown Billings Alliance, Big Sky Economic Development Authority, and Beartooth Resource Conservation and Development Council.
- **Government Agencies:** Montana Board of Housing, the Montana Department of Commerce, and Yellowstone County.
- **Nonprofits:** Montana Homeownership Network, homeWORD, Community Leadership Development, Montana Rescue Mission, Family Service, Inc., Community Housing Resource Board, Habitat for Humanity, Yellowstone AIDS Project, Living Independently for Today and Tomorrow, and Rebuilding Together.
- **Private Sector:** Local Lending Institutions, Federal Home Loan Bank, Property Managers Association, Montana Landlords Association, Eastern Montana Landlords Association, and the Realtors and Home Builders Association.
- **Advisory groups:** Affordable Housing Task Force, Adjacent Neighborhood Committee, and the Billings Partners for American Indian Home Ownership.

Economic development strategies in the community are primarily served through the Big Sky Economic Development Authority and through the City's CDBG Public Services funding. Strengths of the current delivery system, including public housing, include the immense collaboration the City facilitates in Consolidated Plan development and implementation. Gaps in the current system can be met with increased funding allocated through the entitlement processes.

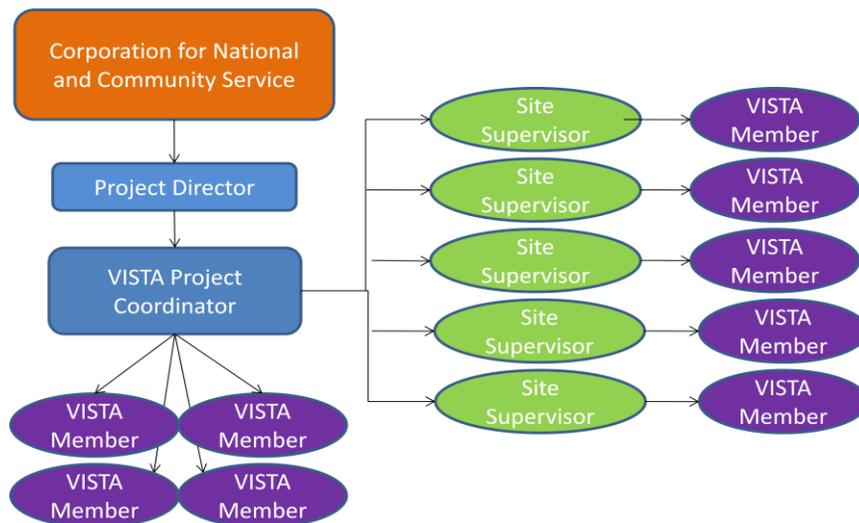
The Housing Needs Assessment contains comprehensive information on the lower income status of local households. Current findings indicate a need to address economic conditions locally and in the State of Montana in a comprehensive manner.

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’s strategies to promote affordable housing and fair housing city-wide, and to preserve the existing housing stock and the neighborhoods where the affordable housing stock is located, will compliment economic development efforts by providing safe, decent, and affordable housing and livable neighborhoods for lower income households in our community.

The City proposes to support statewide efforts to improve economic conditions and proposes to support the following specific activities in this Consolidated Plan to address economic conditions of low and moderate-income households in Billings (specific strategies are located in Section Eleven):

- 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 funding of social service agencies as public service activities under the CDBG Program. *(Strategy E)*
- Continue to support the work of local economic development organizations to help create higher wage jobs for lower income persons. *(Strategy C)*
- Continue to apply for the **AmeriCorps\*VISTA (Volunteers in Service to America)** project status in order to bring full-time volunteers to work on capacity-building for the homeless initiatives through **Welcome Home Billings**, the City’s ten-year plan to impact homelessness. The City was awarded project status and placed seven VISTA members to work on poverty issues in FY2009-2010. The structure of the **Billings Metro VISTA Project (MVP)** serves to build the capacity of nonprofit organizations to work on poverty issues. *(Strategy C)*

**Billings Metro VISTA Project (MVP) Model**



## **Regulatory Compliance**

The following sections reference regulatory compliance issues for all projects and activities undertaken by the City with CDBG and HOME funding.

### *Environmental Review*

The Community Development Division staff is fully trained in current Environmental Review Records procedures. The City utilizes multi-year review processes to accommodate environmental review for core programs including housing repair, planning activities, and down payment assistance programs. The City reviews each project for environmental clearance prior to securing funding.

### *Lead-Based Paint*

91.215 (i)

The City continues to be in compliance with HUD's lead-based paint requirements as established in September of 2000. According to the 2000 Census, it is estimated that there are over 28,000 housing units built before 1979 that are at risk of containing lead-based paint, which comprises 73% of the total housing stock in Billings. Not all of the homes built prior to 1979 contain lead-based paint and lead hazards. However, 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.

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, paint inspections, clearance testing, and has access to lead-safe certified contractors to ensure compliance.

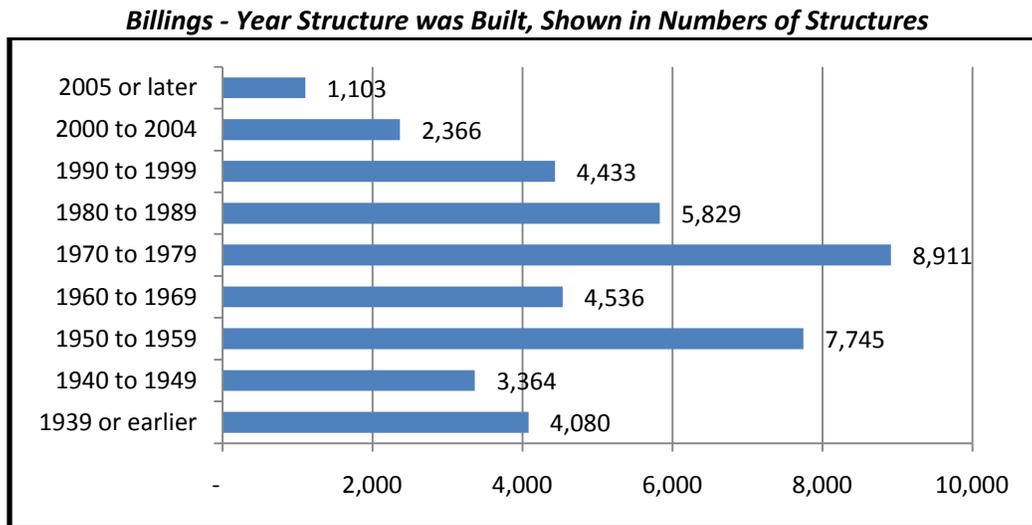
In addition, the City also promotes lead-safe work practices training whenever it is offered in Montana, which gives local contractors the opportunity to become certified in lead-safe work methods. The City will continue to maintain working relationships and partner in furthering educational efforts with lead-based paint professionals to ensure HUD requirements are effectively met.

The Yellowstone County Health Department participated in the Montana Lead program from 1994 until 2000. A total of 1,703 tests were completed between May 25, 1994 and December 29, 1999 and City-County Health reported that no children under the age of six years old tested over 10 ug/dl. Twenty-nine individuals over the age of six had blood lead levels between 10 and 14 ug/dl and 17 had levels equal to or greater than 15 ug/dl. The Montana Lead program was discontinued due to lack of sustained funding and data on elevated blood levels is now reported to the Department of Health and Human Services, Public Health and Safety Division, which reported that only two children under the age of six were found to have elevated blood levels between 2000 and 2004. Both of these children had levels between 19 and 22 ug/dl. According to the Center for Disease Control, 114 children under the age of six were confirmed with elevated blood lead levels in Montana between 1997 and 2001.

Head Start, Inc. has been performing lead-testing for children participating in their programs. In 2009, three of the 360 participating children were tested and all three were found to have no elevation in lead. Overall, the incidence of high blood lead levels in Montana children is 0.27%. The State stopped sending data to the Center for Disease Control in 2006 because there was no data to be sent. The data collected to date in Billings indicates that elevated lead blood levels are not a priority concern.

### Historic Review

All activities and projects undertaken by the City are reviewed for the potential for historic significance prior to implementation. Approximately 15,000 homes in the City were built prior to 1959. These homes are more than 50 years old and require historic review to ensure the historic value of the property will be maintained while undergoing housing rehabilitation utilizing federal funding.



*Source: U.S. Census Bureau, 2006-2008 American Community Survey Three-Year Estimates*

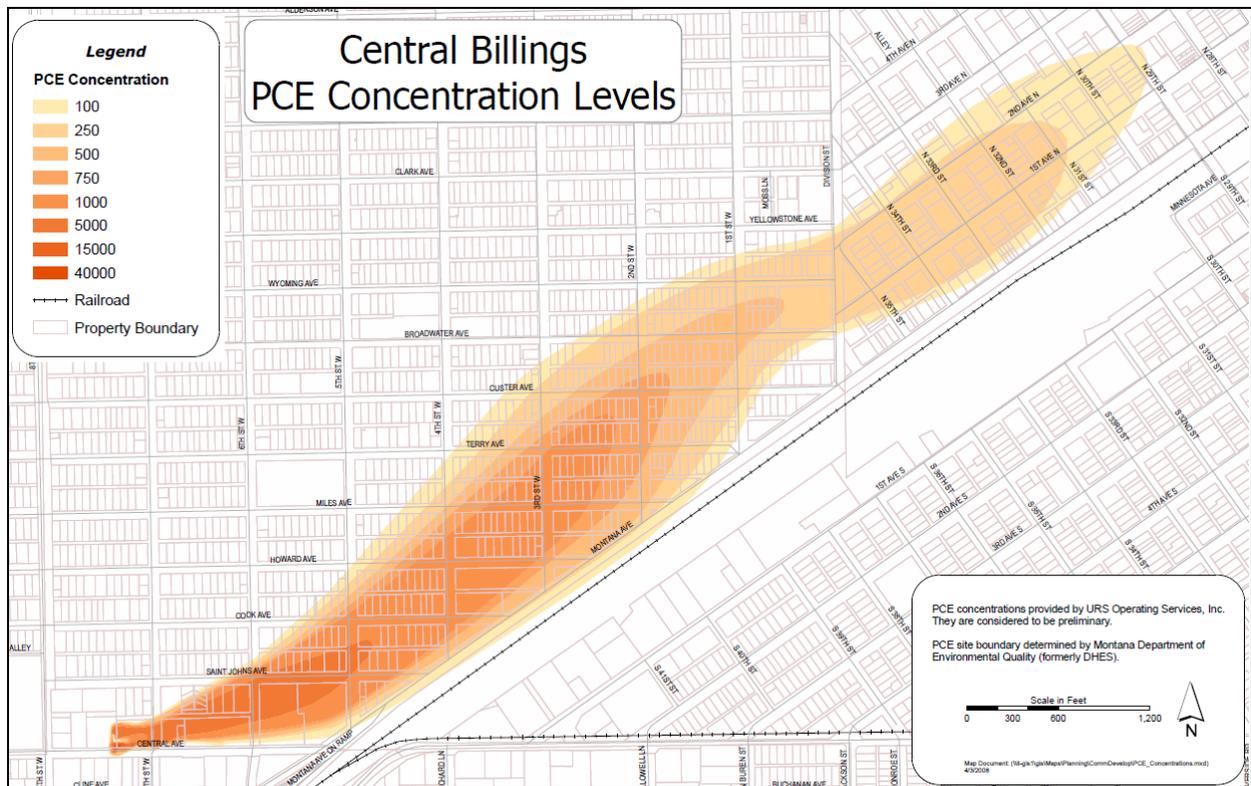
The City utilizes both the Yellowstone Historic Preservation Board and the State Historic Preservation Office to review projects for potential impacts on historic integrity prior to implementation.

### PCE Groundwater Contamination Site

The Environmental Protection Agency (EPA) has identified an area in the City limits with Perchloroethylene (PCE) groundwater contamination. This is a man-made chemical used for dry cleaning and degreasing metal parts. The EPA has finalized remediation in this area and has notified, tested, and remediated the high level PCE properties in the area (see map, following page).

The groundwater in this area is not potable; however, all of the residences / businesses in the area have established access to the City water system and do not rely on groundwater for drinking. The predominant issue when reviewing properties in this area for housing rehabilitation is exposure to soils in basements, active groundwater well systems and adequate ventilation.

The City has developed site-specific environmental review procedures in collaboration with the EPA and the procedures have been reviewed and approved by HUD. Properties in this area will be reviewed for open well systems, exposure to soil and adequate ventilation. Work lists containing remedies to address these issues are a priority for all properties located in the PCE area.



**Location of PCE Site in Billings**

### *Fair Housing & Equal Opportunity*

The City has completed an Analysis of Impediments to Fair Housing Choice study every five years since the 1990s. The need for fair housing education in Billings is great. The Community Development Division staff is dedicated to supporting fair housing efforts and initiatives in Billings. This includes ensuring that activities, projects and programs funded utilizing CDBG and HOME funding are carried out without discrimination, directly or indirectly, on the basis of race, color, religion, gender, national origin, age, familial status, disability or creed. Additional, more detailed information on Fair Housing can be found in Section Eight - Fair Housing.

### *Affirmative Marketing*

The City adheres to an Affirmative Marketing Procedure which furthers the City's commitment to nondiscrimination and equal opportunity in housing. Proposed affordable housing development projects with more than five units are required to submit an Affirmative Marketing Plan with the application for funding. Plans include procedures for marketing units to minority / disabled populations and performing significant outreach to ensure equal housing opportunity for potential renters / owners of the housing units.

Core programs (such as housing repair, down payment assistance, and special assessment grants) are advertised in Task Force Newsletters, which are distributed in identified low income and high-minority concentration areas. Core programs are also marketed to agencies serving the elderly, disabled and those experiencing homelessness.

The Citizen Participation Plan ensures comprehensive public notices and opportunities to solicit and receive public comment and participation in the allocation process. This process includes staff attendance at local neighborhood task force meetings during the allocation process. These areas have been identified with high minority densities and are predominantly low-income.

### *Section 504*

Minimum accessibility requirements are mandated with all affordable housing projects developed utilizing federal funding. Subrecipients of federal funding are all monitored for Section 504 accessibility requirements pursuant to ensure that non-dwelling service facilities are fully accessible to those with disabilities. All Subrecipients are provided a copy of the Self-Evaluation and Assessment of Accessibility to ensure compliance with Section 504 requirements.

### *Section 3*

Section 3 is a provision of the Housing and Urban Development Act of 1968, which recognizes that HUD funds are typically one of the largest sources of federal funding expended in communities through the form of grants, loans, entitlement allocations and other forms of financial assistance. Section 3 is intended to ensure that when employment or contracting opportunities are generated because a covered project or activity necessitates the employment of additional persons or the awarding of contracts for work, preference must be given to low- and very low-income persons or business concerns residing in the community where the project is located.

Section 3 is both race and gender neutral. The preferences provided under this regulation are based on income-level and location. The Section 3 regulations were designed to encourage recipients of HUD funding to direct new employment and contracting opportunities to low-income residents, and the businesses that employ these persons, within their community regardless of race and / or gender.

The City has a comprehensive procedure for compliance with Section 3 requirements. This includes procedures to provide job training, employment and contract opportunities for low income residents in connection with projects and activities in their neighborhoods.

### *Relocation Assistance & Displacement*

The City minimizes displacement of persons and assists any persons displaced during the Division's affordable housing and redevelopment activities according to the Uniform Relocation Act. The Uniform Act provides important protections and assistance for people affected by the acquisition, rehabilitation, or demolition of real property for Federal or federally-funded projects.

This law was enacted by Congress to ensure that people whose real property is acquired, or who move as a direct result of projects receiving federal funds, are treated fairly and equitably and receive assistance in moving from the property they occupy. The Division will require developers to make relocation benefits available to displaced persons during housing initiatives funded with federal dollars.

## *Short Sales*

The term “short sale” can be described as the sale of a property where the sale proceeds fall short of the balance owed on the loan. The City carries liens on properties as a result of owner participation in programs such as First Time Homebuyer and Housing Rehabilitation.

On occasion, the City is asked to participate in “short sales,” which is a process that routinely begins with homeowner that is default on a first-position mortgage. This typically involves a request from a third-party to lower the balance of the lien owed to the City.

Foreclosure proceedings mandate owner protections that can be diluted when a third-party short sale takes place. The City will not participate in any third-party short sale when the City holds an interest in a property. This includes lowering the balance of liens placed when the owner participated in City-financed programs. Short sales initiated by the owner without a third-party will be considered on a case-by-case basis.

## *Labor Standards*

The Davis-Bacon Act requires, when applicable, the payment of prevailing wage rates, as determined by the US Department of Labor, to all laborers and mechanics on federally-funded construction projects. As a rule, CDBG construction contracts in excess of \$2,000 will trigger Davis-Bacon, and HOME contracts involving twelve or more HOME units will require Davis-Bacon compliance. Staff will evaluate each application to determine if Davis-Bacon applies to a specific project.

### **Definitions**

- **Laborer or mechanic:** Anyone performing construction work on the project, including trade journeymen, apprentices, and trainees. “Laborers” and “mechanics” are the two groups of workers that must be paid not less than Davis-Bacon wage rates.
- **Employee:** Every person who performs the work of a laborer or mechanic is “employed” regardless of any contractual relationship that may exist between a contractor or subcontractor and such person.
- **Apprentices and trainees:** The only workers who can be paid less than the wage rate on the wage decision for their work classification are “apprentices” and “trainees” registered in approved apprenticeship or training programs. Apprentices and trainees are paid wage rates in accordance with the wage schedule in the approved program. The maximum number of apprentices or trainees on the job site cannot be more than the ratio of apprentices or trainees to journeymen allowed in the approved program.
- **Prevailing wages:** Prevailing wages are listed on the wage decision for the project. The wage decision will list a minimum basic hourly rate of pay for each work classification. Wage decisions may include fringe benefits such as health insurance, retirement, vacation and contributions to training funds.
- **Site of work:** The “site of work” is where the Davis-Bacon wage rates apply, usually the boundaries of the project. “Site of work” can also include other adjacent or nearby property used by a contractor or subcontractor in the construction of the project.

- **Proper designation of trade:** A work classification on the wage decision for each worker based on the actual type of work he performed must be done. In addition, each worker must be paid no less than the wage rate on the wage decision for that classification regardless of skill level. The only people who can be paid less than the rate for their craft are apprentices and trainees registered in approved programs.
- **Split-classification:** Employees performing work in more than one classification should be paid the wage rates specified for each classification only if accurate time records showing the time spent in each classification of work are maintained. If accurate time records are not maintained, these employees must be paid the highest wage rate of all of the classifications of work performed.

**Wage Decisions:** Davis-Bacon wage decisions define the minimum wage payment requirements for classifications such as carpenters, electricians, plumbers, and roofers that work on the project. The geographically specific Davis-Bacon wage decision, provided by the Department of Labor, contains a schedule of work classifications and wage rates to be followed. Wage decisions can be found [online](#).

The prime contractor, or the party ultimately accountable for meeting Federal regulations, is responsible for several key steps in a Davis-Bacon contract. Prior to bidding a construction contract, the Davis-Bacon wage decision must be obtained and included in the bid package. Once the project is underway, a copy of the wage decision and a copy of a Department of Labor "Notice to Employees" at the job site must be posted in a place easily accessible to construction workers employed at the project.

**Reporting:** A certified payroll report beginning the first week a company works on the project and continuing until the firm has completed its work will be required by the project monitor. The payrolls are certified because each payroll is signed and contains language certifying that the information is true and correct. "No work" payrolls may be submitted whenever there is a temporary break in work on the project.

The prime contractor reviews each subcontractor's payroll reports for compliance prior to submitting the reports to the contract administrator. The prime contractor is responsible for the full compliance of all subcontractors and will be held accountable for any wage restitution found due to any laborer or mechanic that is underpaid and for any liquidated damages that may be assessed for overtime violations.

Every contractor (including subcontractors) must keep a complete set of payrolls and time cards for a Davis-Bacon project for three years after the project is completed. The prime contractor must keep a complete set of all of the payrolls for every contractor for three years after completion of the project.

**Compliance Reviews:** The contract administrator or other inspector may visit the project site and interview workers concerning their employment on the project. The interviewer will record the interview information and will compare it to payrolls and related submissions to ensure that the labor standards requirements have been met. Additional information on this topic can be found on the Department of Housing and Urban Development [website](#).

## Housing Quality Standards

All City projects involving residential construction, rehabilitation, and / or acquisition shall meet the Division's standards to provide decent, safe and sanitary housing that minimally meets or exceeds all applicable local and State codes, rehabilitation standards, ordinances, and zoning ordinances. This includes meeting or exceeding Housing Quality Standards, which will be verified by staff inspection. In addition to meeting quality standards, all housing projects undertaken by the City emphasize energy efficiency, universal design, and green building components whenever possible and feasible.

## Monitoring

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The goals to be achieved through the Consolidated Plan will be monitored on a yearly basis as required as part of the Comprehensive Annual Performance Evaluation Report (CAPER) submitted to HUD for the Consolidated Plan. Monitoring consists of:

- Examination of the community's use of available HUD, state, and local resources to meet the affordable housing and community development needs as outlined in the Consolidated Plan.
- Examination of the effectiveness of the programs that are in place.
- Review of public comments received on the community's performance in meeting the affordable housing and community development needs described in the City's Consolidated Plan.

The City funds a variety of sub-recipients to carry out CDBG and HOME funded activities each year. Each of these sub-recipients is required to enter into a detailed sub-recipient agreement that specifically describes funding use. Subrecipients will be monitored on-site by Community Development staff at least every other year to ensure compliance with the terms of the agreement and applicable regulations.

Projects assisted with CDBG funding to rehabilitate rental units as well as projects financed with HOME funding. Housing projects are monitored via site-visits on a schedule based on the number of units in the project:

| <b># of Units</b>                                                                                      | <b>Frequency of On-Site Monitoring</b> |
|--------------------------------------------------------------------------------------------------------|----------------------------------------|
| 1 - 4 Units                                                                                            | Every 3 years                          |
| 5 - 25 Units                                                                                           | Every 2 years                          |
| 26+ Units                                                                                              | Every year                             |
| Source Documentation                                                                                   | Every 6 years                          |
| <i>Staff inspects 15% - 20% of the total HOME units per project, minimum one unit in each building</i> |                                        |

## Timeliness

The City is required to both commit and expend CDBG and HOME funding in a timely manner. The CDBG program mandates that the City carry less than 1.5 times the previous year's award in the HUD payment system at the beginning of May each year. HOME funding allocated to the City must be committed to specific projects via contract (which must be approved through City Council) within 24 months of allocation and funds must be expended within five years of initial allocation. Failure to comply with commitment and expenditure deadlines will result in funding being recaptured by HUD.

The City must draw down funds at acceptable rates to prevent funding recapture. Therefore, the City will adhere to the following procedures regarding timeliness:

- Allocating funding to grantees that can expend funding expeditiously.
- Prioritizing applications for funding based on timeline for expenditure.
- Reallocating funding from projects that have not expended funds to new projects.
- Draw funding from HUD systems at least quarterly to ensure compliance.
- Perform a timeliness review at the end of each calendar year and plan to move funding to progressive accounts / projects if timeliness will become an issue.
- Work with Community Housing Development Organizations (CHDO) to pre-allocate future mandatory CHDO reserve funding.
- Communicating the importance of timeliness to applicants, the Community Development Board and the City Council.

### *Performance Measures*

HUD requires certain objectives and outcomes be identified for all activities funded through CDBG and HOME. These include objectives for suitable living environment, the provision of decent housing and creating economic opportunities. Outcomes include increasing availability and / or accessibility, affordability and sustainability.

| <b>HUD PERFORMANCE MEASUREMENTS</b> |                               |
|-------------------------------------|-------------------------------|
| <i>Objectives</i>                   | <i>Outcomes</i>               |
| Suitable Living Environment         | Availability or Accessibility |
| Decent Housing                      | Affordability                 |
| Economic Opportunities              | Sustainability                |

In addition to the utilization of HUD standard objectives and outcomes, the City will provide benchmark data on performance and outputs, including the following numbers:

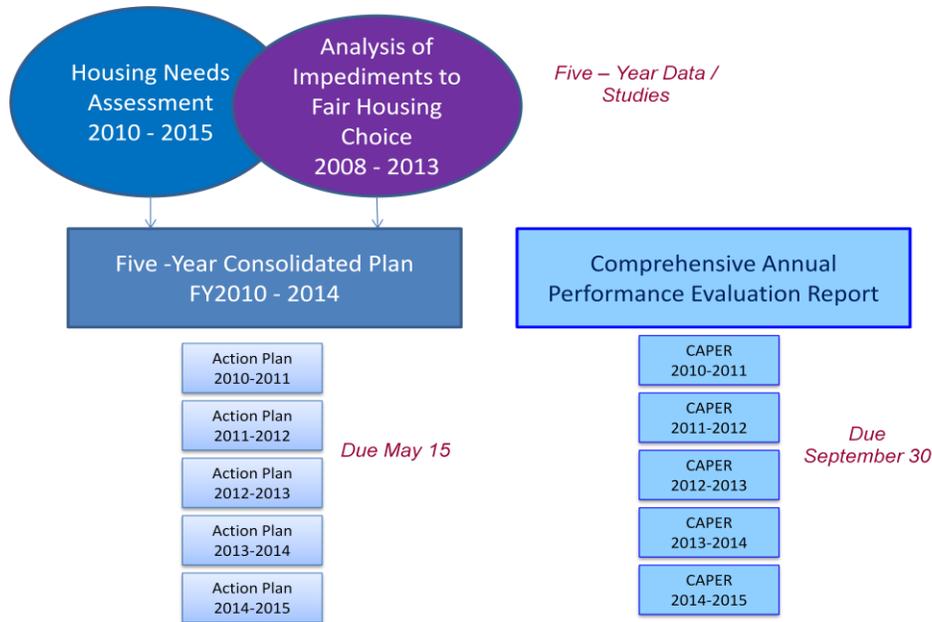
- Housing units assisted
- Years in compliance with stated benchmarks / requirements
- Funding leveraged
- Meetings facilitated by staff
- Grant application submissions to further Consolidated Plan goals
- Strategic / Action Plans generated / implemented
- Organizations supported
- AmeriCorps\*VISTA members placed

A complete list of goals, outcomes, objectives, outputs and benchmarks is included in the Strategic Planning section of this Consolidated Plan.

## SECTION FOUR - Consolidated Plan & Budget Development

### Significant Aspects of the Process

The City utilizes significant public comment processes and coordinates input from various organizations and groups in order to maximize collaborative efforts while developing and implementing the Consolidated Plan. Both the Housing Needs Assessment and the Analysis of Impediments to Fair Housing Choice are utilized by City staff as **primary planning tools** for the development and implementation of Consolidated Plan activities.



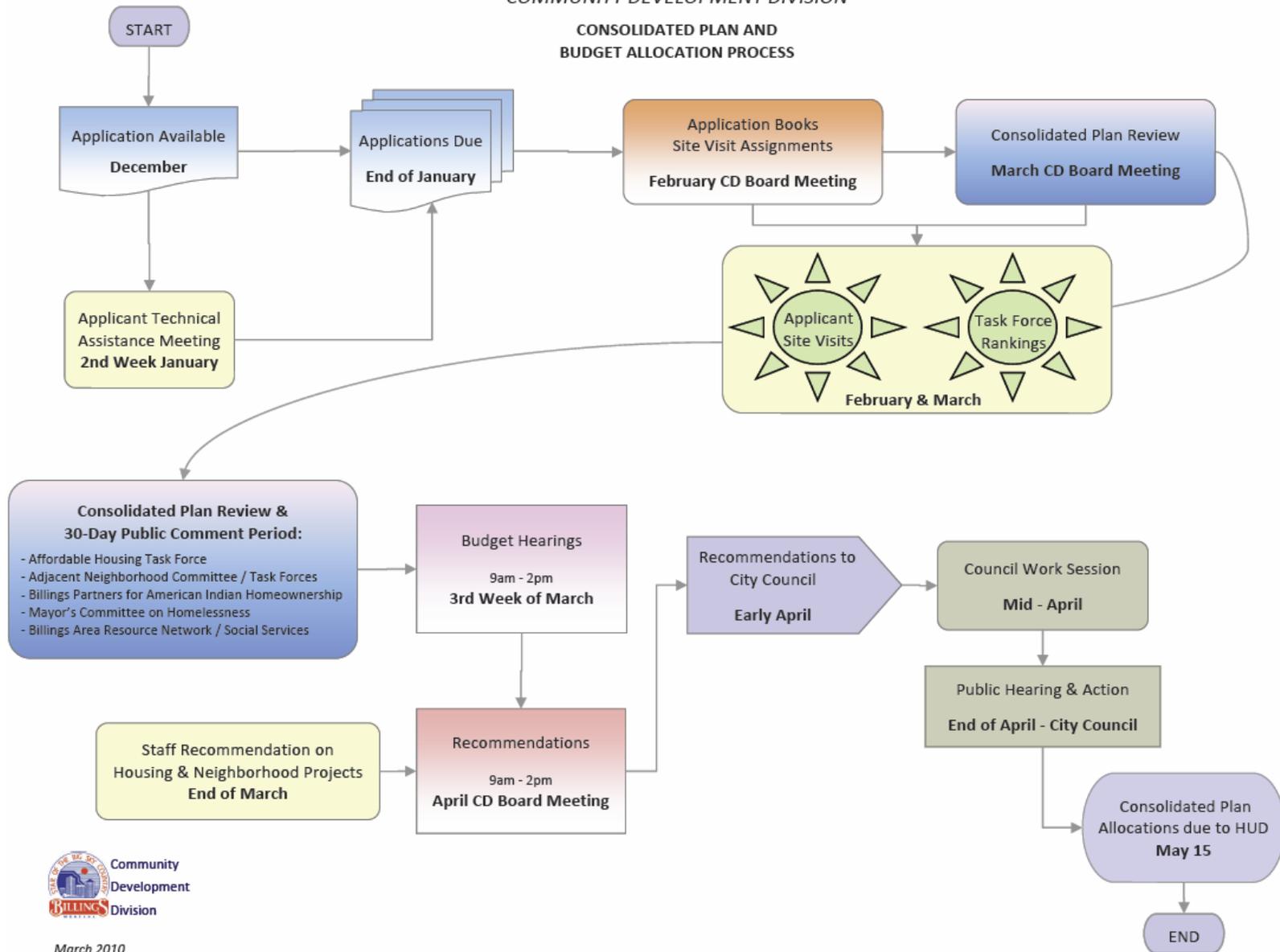
The Budget Allocation Process flowchart (following page) illustrates the significant aspects of public involvement and input processes utilized for Consolidated Plan development and implementation. The process includes a technical assistance meeting to facilitate training of CDBG / HOME applicants regarding application expectations and project requirements. All plans and studies are posted on the City's website and emails are distributed announcing application and Consolidated Plan postings.

The Community Development Board conducts applicant site visits to review each application with the submitting organization. In addition, City staff visit each of the seven neighborhood task forces to garner housing / neighborhood activity rankings prior to the public comment period. The City also maintains extensive email distribution lists and utilizes these lists to make announcements of study results and drafted plans. Budget hearings are also held to give presentation opportunities to each applicant. Each neighborhood task force is also offered an opportunity to speak during the hearings.

A formalized public comment period is held for no less than 30 days and various community groups are visited during this time to garner feedback on studies, plans and activities. Agenda items are also scheduled for a City Council Work Session and regular City Council meeting; the latter includes an additional, specific public hearing to review the Consolidated Plan and activities. All meetings are open to the public, advertised in the regionally-distributed Billings Times newspaper and agendas offer a specific time for additional public comment.

COMMUNITY DEVELOPMENT DIVISION

CONSOLIDATED PLAN AND BUDGET ALLOCATION PROCESS



March 2010

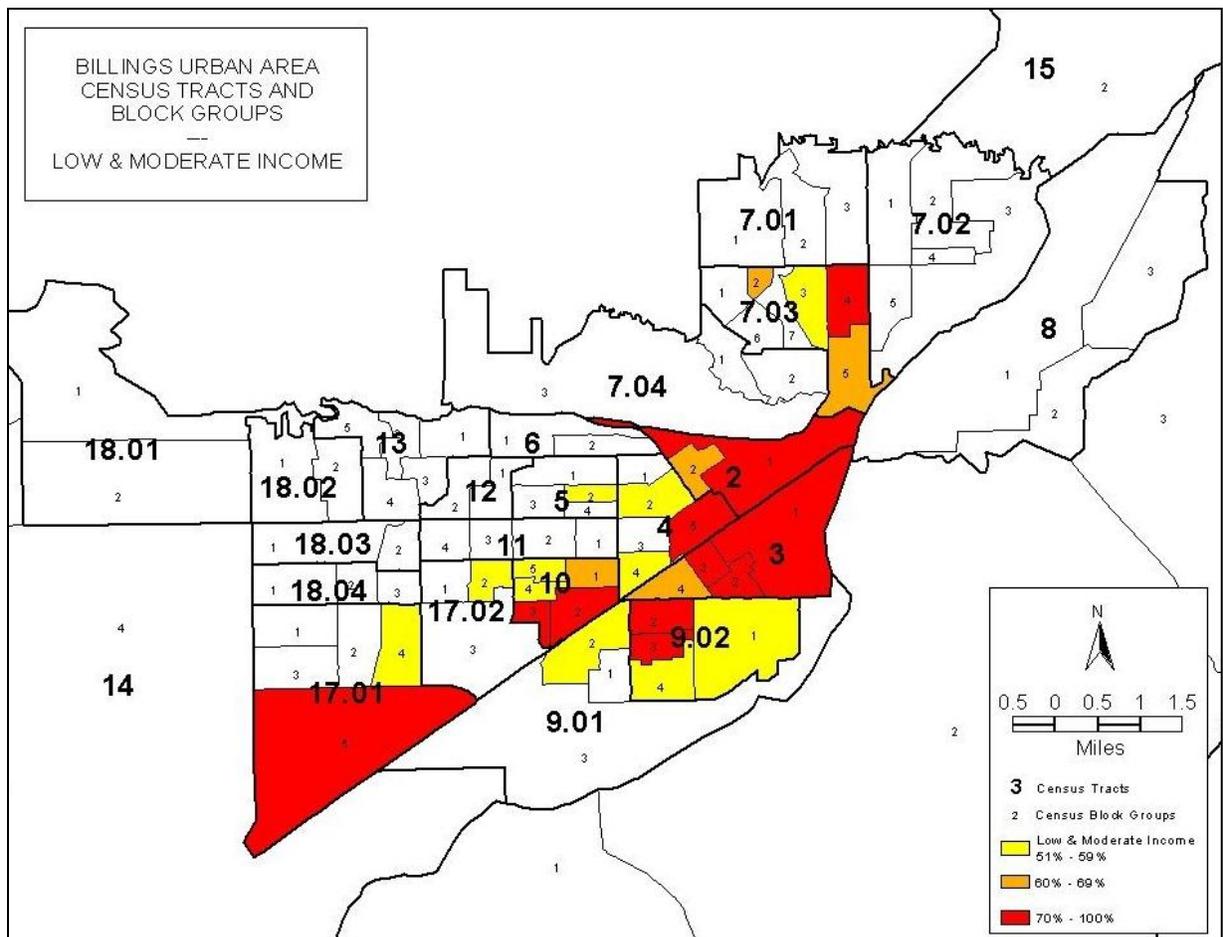
## SECTION FIVE - Geographic Data

### Geographic Area

The geographic area served by the Consolidated Plan is defined by the current City of Billings limits. Target areas include Census tracts and block groups with high concentrations of low to moderate income households, particularly those with higher concentrations of racial / minority households.

### Lower-Income Household Concentration

The strategies identified in the Consolidated Plan 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. Strategy D targets assistance provided through CDBG and related programs to lower income neighborhoods of the communities where the majority of the City's affordable housing stock is located. The map below identifies areas of the community with lower income population above 70%, between 60% and 69%, and between 51% and 59% to allow further prioritization of limited resources. The low income areas identified on the map maintain the presumption of affordability for the purposes of affordable housing development, recapture / resale and federal investment. Areas may be updated with the 2010 Census.



**Lower Income Areas in Billings**

*Racial / Minority Concentration*

The 2007 Analysis of Impediments to Fair Housing Choice identified areas of the community with a concentration of minority households. Census Tracts 2, 3, and 9.02 (known as South-Central Billings) show the highest concentration of protected class residents.



**South-Central Billings - Highest Minority Population Concentrations**

City-wide, there is an estimated American Indian population of 4% and a Hispanic population of 5%. Central Billings (Census Tracts 2 and 4) has a Native American population of 7% and Hispanic population of 6% while South Billings (Census Tracts 3, 9.01, and 9.02) has a Native American population of 9% and a Hispanic population of 14%. These areas are lower income areas and targeted neighborhoods for the geographic distribution of resources as described above. The 2007 Analysis of Impediments to Fair Housing Choice can be viewed online: <http://www.ci.billings.mt.us/DocumentView.asp?DID=1100>.

**Estimated Population Statistics for South-Central Billings**

|                   | <b>Total</b> | <b>White</b> | <b>Black / African American</b> | <b>American Indian &amp; Alaska Native</b> | <b>Asian</b> | <b>Native Hawaiian &amp; Other Pacific Islander</b> | <b>Other Race</b> | <b>Two or More Races</b> | <b>Hispanic Origin</b> |
|-------------------|--------------|--------------|---------------------------------|--------------------------------------------|--------------|-----------------------------------------------------|-------------------|--------------------------|------------------------|
| <b>Population</b> | 11,361       | 8,913        | 164                             | 1,145                                      | 44           | 9                                                   | 573               | 513                      | 1,485                  |
| <b>% of City</b>  | 13%          | 11%          | 33%                             | 37%                                        | 8%           | 24%                                                 | 44%               | 28%                      | 40%                    |

### *Geographic Basis for Allocation of Investments*

91.215(a)(2)

The City of Billings is the largest city with the highest population in the state. However, the city only has an estimated population of nearly 104,000 in 2008, according to the 2009 Billings Housing Needs Assessment. Billings would be classified as a smaller city on a national scale. Therefore, the City will focus distribution of investments on a citywide basis in order to support diversity and mixed-income development across the community.

### *Basis for Assigning Priority - Overall Consolidated Plan*

Priorities for funding are based on both the most recent Housing Needs Assessment and the Analysis of Impediments to Fair Housing Choice. Priorities for housing development are identified as “High” “Medium” and “Low” based on data analysis.

### *Obstacles to Meeting Underserved Needs - Overall Consolidated Plan*

91.215(a)(3)

The primary obstacle faced by the City in undertaking the activities described in its Consolidated Plan and meeting under-served needs is the amount of available funding. The Housing 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, and other needs of the community related to neighborhood improvement, housing preservation, and improving the economic conditions of lower income households.

In addition to funding for projects and programs, there is a need for additional funding for administration and planning costs to help design strategies and undertake projects to help meet these needs. The City attempts to leverage its CDBG and HOME resources as evidenced by past partnerships with the Montana Board of Housing, Wells Fargo, and Fannie Mae.

The City's ability to undertake such activities is limited by staffing levels. This issue has been partially addressed by establishing and supporting community partnerships to address housing and community development needs. The work of the Affordable Housing Task Force, Adjacent Neighborhood Committee, neighborhood groups, various Fair Housing organizations, and the Billings Partners for American Indian Homeownership increase local resources and capacity to address housing and community development needs.

## *SECTION SIX - Housing Market Analysis*

The City completed a Housing Needs Assessment for Consolidated Planning purposes in 2010 to provide data analyses for housing market, condition and needs. Excerpts from several sections of the Assessment are included in this Consolidated Plan.

The Assessment reviewed the past five years of housing activity and trends in Billings and provided priorities for housing in the community for the next five years. The Assessment includes an evaluation of the impact of the national economic recession, but also includes information about housing activity prior to the recession. The Assessment ultimately provides a balanced view of housing-related trends in Billings and offers predictions about future housing activities and needs in light of anticipated economic stabilization.

The Assessment also attempts to address inconsistencies in data and information by comparing census data and other information to qualitative information from community organizations providing services on the ground. This is especially important in the analysis of housing for people with disabilities where census data did not correspond to the experience of service providers. The Assessment identifies housing needs for the community for renters, home owners, elderly, and the disabled. The entire Assessment can be found online: <http://www.ci.billings.mt.us/index.aspx?NID=500>.

### *Housing Supply*

In 2008, the City of Billings had slightly more than 42,000 housing units that were approximately 62% owner occupied, 33% renter occupied, and 5% vacant. Traditional single-family detached homes represent more than 60% of the total housing units in Billings, while 25% are structures with two or more units attached, and over 7% are mobile homes.

The largest increase in housing units from 2000 to 2008 was in one-unit, attached. These units constitute attached condominium or patio home-style units where an individual owns the attached unit, while the land around it is owned and maintained in common. These housing types increased 25.4% to 2,271 units in the eight-year period. This increase was well ahead of the 9% increase in single-family detached units and is likely to be due in part to an aging Billings population that has been seeking smaller homes with less maintenance.

Small multi-family units, two to four units each, saw a decrease between 2000 and 2008, dropping 4%. This was the only housing unit segment to decrease over the period. The unit category representing manufactured homes, which represent 7% of the total housing units, increased approximately 8% between 2000 and 2008.

**Summary of Housing Characteristics in Billings**

| <b>Year</b>                                                                                          | <b>1990</b> | <b>2000</b> | <b>2008</b> | <b>% Total<br/>(2008)</b> | <b>% Change<br/>(2006-2008)</b> |
|------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|---------------------------|---------------------------------|
| Total Housing Units                                                                                  | 35,964      | 39,151      | 42,367      | 100%                      | 8.2%                            |
| <b>Units in Structure</b>                                                                            |             |             |             |                           |                                 |
| 1 unit detached                                                                                      | 21,809      | 24,221      | 26,506      | 63.0%                     | 9.4%                            |
| 1 unit attached                                                                                      | 1,279       | 1,811       | 2,271       | 5.4%                      | 25.4%                           |
| 2-4 units                                                                                            | 4,963       | 4,652       | 4,467       | 10.5%                     | (4.0%)                          |
| 5-9 units                                                                                            | 2,241       | 2,277       | 2,481       | 5.9%                      | 9.0%                            |
| 10+ units                                                                                            | 2,670       | 3,325       | 3,539       | 8.4%                      | 6.4%                            |
| Mobile Home, other                                                                                   | 3,002       | 2,865       | 3,103       | 7.3%                      | 8.3%                            |
| <b>Tenure</b>                                                                                        |             |             |             |                           |                                 |
| Owner-occupied                                                                                       | 20,297      | 23,937      | 26,697      | 63.0%                     | 11.5%                           |
| Renter occupied                                                                                      | 12,884      | 13,464      | 13,534      | 32.0%                     | 0.40%                           |
| <b>Occupants Per Room</b>                                                                            |             |             |             |                           |                                 |
| Occupied Housing Units                                                                               | 33,181      | 37,401      | 40,231      | 100%                      | 7.6%                            |
| 1.00 or less                                                                                         | 32,625      | 36,549      | 39,835      | 99.0%                     | 9.0%                            |
| 1.01 to 1.50                                                                                         | 403         | 588         | 361         | .09%                      | (38.6%)                         |
| + 1.50                                                                                               | 153         | 264         | 35          | .01%                      | (86.7%)                         |
| <small>Source: U.S. Census Bureau – 2006-2008 American Community Survey Three-Year Estimates</small> |             |             |             |                           |                                 |

**Housing Condition**

Approximately 81% of the housing units in Billings were built before 1990, with many built in the 1950s and 1970s. Despite older housing stock, 80% of residents believe the housing stock in their neighborhoods is in good condition according to the Community Housing Survey. More than 58% of the total housing units are 40 years old or older while 8% (or 3,469 units) have been built since 2000.

**Standard & Substandard Condition Definitions:** For the purposes of this plan, *standard condition* is a housing unit that passes Housing Quality Standard review via on-site staff inspection. *Substandard condition* of housing is defined by the City as properties requiring more than \$20,000 in funding to complete all required code related improvements to the property. *Substandard condition but suitable for rehab* would be those properties where a \$20,000 investment would address all safety hazard conditions related items associated with the house within primary systems ranging from electrical, plumbing, heating, roofing, and foundation repairs.

Housing units with incomplete plumbing or kitchen facilities are a small portion of the total housing units in the community (less than one percent). Despite their limited numbers, these units are of concern as some may be used by very low income households. Housing units are described as lacking complete plumbing facilities if there is an absence of hot and cold piped water, or a flushing toilet, or a

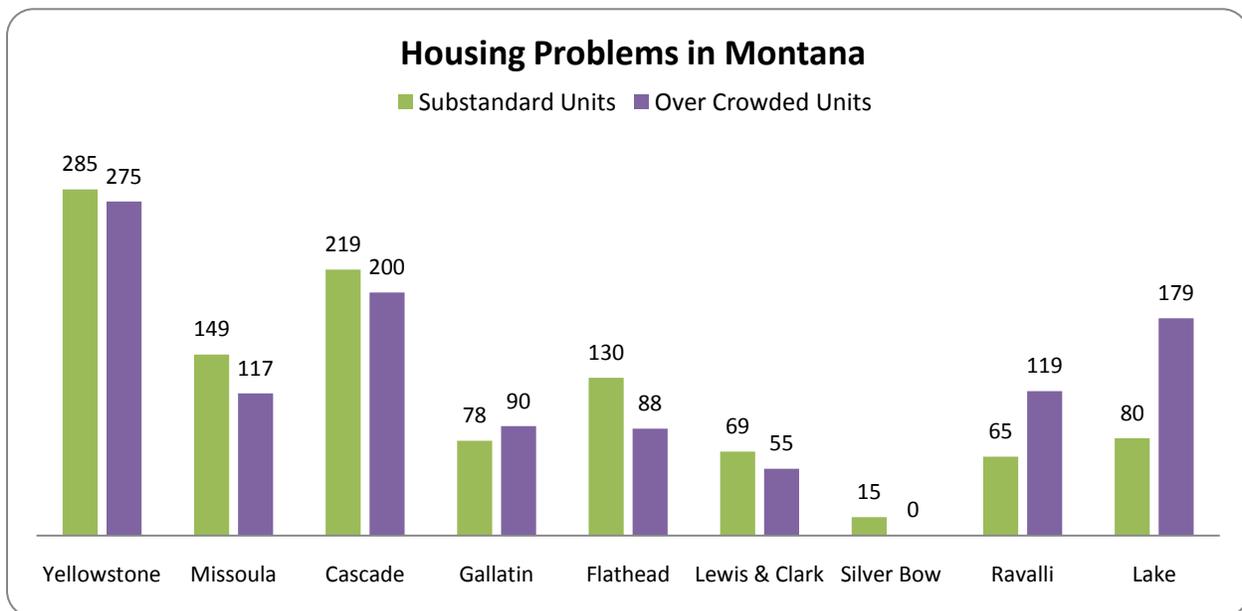
bathtub or shower. Units are described as lacking complete kitchen facilities if there is an absence of a sink with piped water, or range / stove, or a refrigerator. The number of units lacking complete plumbing dropped from 177 units in 2000 to 74 units in 2008. The number of units with incomplete kitchen facilities increased 6.7% between 2000 and 2008, making up a total of 446 units in 2008.

**Summary of Housing Characteristics in Billings**

| Year                                                                                        | 1990   | 2000   | 2008   | % Total (2008) | % Change (2006-2008) |
|---------------------------------------------------------------------------------------------|--------|--------|--------|----------------|----------------------|
| Total Housing Units                                                                         | 35,964 | 39,151 | 42,367 | 100%           | 8.2%                 |
| <b>Lacking Facilities</b>                                                                   |        |        |        |                |                      |
| Lack Complete Plumbing                                                                      | 118    | 177    | 74     | .2%            | (58.2%)              |
| Lack Complete Kitchen                                                                       | 260    | 418    | 446    | 1.1%           | 6.7%                 |
| <i>Source: U.S. Census Bureau, 2006-2008 American Community Survey Three-Year Estimates</i> |        |        |        |                |                      |

Evaluating the status of housing units without complete kitchen facilities is difficult as small efficiency apartments might fall into this category and only be missing a range / stove. However, reducing housing units with incomplete kitchen facilities is still likely to improve overall housing conditions for people of lower income who might be renting efficiency apartments or small homes in the community.

According to CHAS data, Yellowstone County has the highest number of substandard and overcrowded units in the state. The following chart illustrates the number of units considered substandard and overcrowded.



*Housing Problems of Low Income Households (2009), <http://www.huduser.org/tmaps/LI-household/chas.html>*

## Housing Demand

The Housing Needs Assessment provided an estimate of the housing units needed in Billings by the year 2015, assuming population growth rates continue as they have over the past five years. The analysis does not include an estimate of how many housing units may be lost due to demolition.

### Estimated Housing Units Needed in Billings by 2015

| Total Housing Units in Billings 2000*                                                                             | Total Housing Units in Billings 2008* | Annual Housing Unit Growth Rate 2000-2008 | Total Units Needed by 2015 | New Housing Units Needed by 2015 |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------------|-------------------------------------------|----------------------------|----------------------------------|
| 39,151                                                                                                            | 42,367                                | 1.03%                                     | 45,422                     | 3,055                            |
| <b>3,055 units over 5 year period / 7 years = 437 units needed / year</b>                                         |                                       |                                           |                            |                                  |
| *Includes vacant units<br>Source: US Census Bureau, American Community Survey, City of Billings Building Division |                                       |                                           |                            |                                  |

The Census Bureau's information from the 2006-2008 American Community Survey provides the number and percentage of various types of residential structures already in Billings. Using this information, 75% of new housing units built would likely be single-family dwellings, which includes manufactured homes and condominiums/patio homes. Multi-family dwellings would make up 20% of new housing units, and 5% would be duplex units. Billings would need to add 328 single-family dwellings units, 22 duplex units, and 87 multi-family units per year from 2008 to 2015 to meet the projected housing demand for that time period.

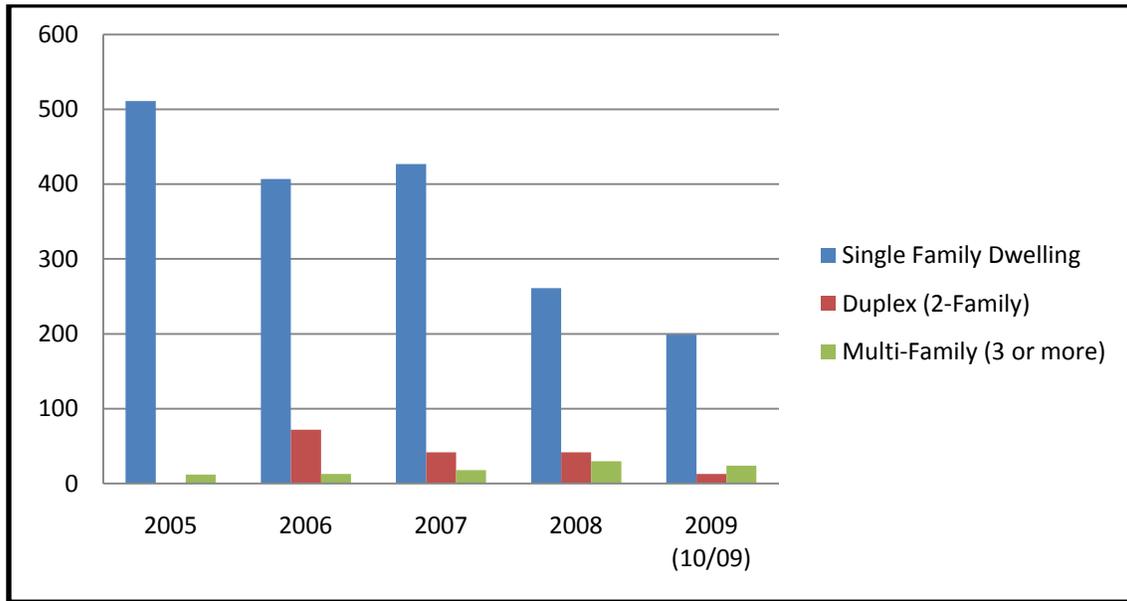
Billings has been meeting the overall demand for 437 new housing units per year over the past four years. However, new single-family units created have decreased to below the 'annual needed units' figure in the past two years, due to the effects of the national recession.

### Comparison of estimated additional housing units to actual building permits for single-family, duplex and multi-family units since 2006

| Units                                                                          | Housing Units Needed Yearly to Meet 2015 Demand | Building Permits 2006 | Building Permits 2007 | Building Permits 2008 | Building Permits through October 2009 |
|--------------------------------------------------------------------------------|-------------------------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------------|
| <b>75% Single-family</b><br>(1-unit attached and detached)                     | 328                                             | 407                   | 427                   | 261                   | 199                                   |
| <b>5 % Duplex</b>                                                              | 22                                              | 84                    | 84                    | 84                    | 26                                    |
| <b>20% Multi-family</b>                                                        | 87                                              | 63                    | 113                   | 188                   | 208                                   |
| <b>Total</b>                                                                   | <b>437</b>                                      | <b>554</b>            | <b>624</b>            | <b>533</b>            | <b>433</b>                            |
| Sources: Planning and Building Division; American Community Survey, 2006-2008. |                                                 |                       |                       |                       |                                       |

To offset the single-family unit decline, new duplex and multi-family units building permits have steadily increased since 2006, suggesting a shift in the housing unit type being demanded. While building activity did adjust to the economic slowdown in Billings in the past two years, homes have continued to sell and shifts in housing types being constructed indicates that Billings has not been significantly over-building in the last five years.

**Building Permits Issued in Billings, by Structure Type, 2005 - Oct. 2009**



Source: City of Billings Building Division

The number of households with children in Billings decreased 4.2% between 2000 and 2008 to 7,175 families, while the number of households without children increased 11.6% in the same period, according to Census Bureau information. According to the 2006-2008 American Community Survey, more than 31% of Billings' households live alone; one-third is made up of elderly members and two-thirds is made up of non-elderly members. This represents almost 13,243 single-member households in Billings.

The number of households under 65 that live alone increased 11% between 2000 and 2008 and the total number of households under 65 years of age living alone represents almost half the number of families with children in the community. This shows that the need and demand for housing to meet the needs of single people has increased in the last eight years.

**Billings Household Living Arrangements**

|                                                                                                                                                                   | 1990          | 2000          | 2008          | % Change<br>2000-2008 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|-----------------------|
| <b>TOTAL HOUSEHOLDS</b>                                                                                                                                           | <b>33,181</b> | <b>37,525</b> | <b>42,367</b> | <b>12.9%</b>          |
| Married Couple Families w/o Children                                                                                                                              | Not Available | 10,238        | 11,423        | 11.6%                 |
| Married Couple Families w/Children                                                                                                                                | Not Available | 7,491         | 7,175         | (4.2%)                |
| Total Married Couple Families                                                                                                                                     | 17,162        | 17,729        | 18,598        | 4.9%                  |
| Female Householder w/o Children                                                                                                                                   | Not Available | 1,411         | 1,240         | (12.1%)               |
| Female Householder w/Children                                                                                                                                     | Not Available | 2,634         | 2,584         | (1.9%)                |
| Total Female Householder                                                                                                                                          | 3,493         | 4,045         | 3,825         | (5.4%)                |
| Householder Living Alone under 65                                                                                                                                 | 6,284         | 7,470         | 8,301         | 11.1%                 |
| Householder Living Alone 65 and Over                                                                                                                              | 3,458         | 4,269         | 4,942         | 15.8%                 |
| Other Households                                                                                                                                                  | 2,784         | 4,012         | 1,499         | (62.7%)               |
| Average Household Size                                                                                                                                            | 2.39          | 2.32          | 2.38          | 2.6%                  |
| Median Age                                                                                                                                                        | 33.5          | 36.8          | 37.9          | 3.0%                  |
| <i>Source: U.S. Census Bureau , 2006-2008 American Community Survey Three-Year Estimates and the Montana Department of Commerce, Census &amp; Economic Center</i> |               |               |               |                       |

**Housing Affordability**

Affordability also is the main issue raised by respondents of the Community Housing Survey conducted for the Housing Needs Assessment. Sixty-three percent of respondents named “house price” as the main reason that low income residents, young families, the elderly, and single parent households need assistance with securing housing. Further evidence of the affordability issue is provided by the Community Housing Survey, where just over 40% of respondents said that they spend more than 30% of their income on housing.

**Homeownership:** Overall, Billings’ home prices have increased annually since 2005, until 2008 when there was a \$2,000 dip in median home price from 2008 to 2009 as a result of a recession affecting housing nationwide. Still, the median housing price in 2009 was \$177,500 in Billings, an increase of 13.5% since 2005.

**Median Home Price 2005 to 2009 – Billings**

| Year                                                           | Median Prices | Percent Change |
|----------------------------------------------------------------|---------------|----------------|
| 2009                                                           | \$177,500     | (1.4%)         |
| 2008                                                           | \$179,950     | 2.0%           |
| 2007                                                           | \$176,500     | 6.6%           |
| 2006                                                           | \$165,500     | 5.9%           |
| 2005                                                           | \$156,300     | --             |
| <i>Source: Billings Association of REALTORS, November 2009</i> |               |                |

The percentage of homes sold for less than \$150,000 also decreased over the past five years across Billings, from 43% of the homes sold in 2005 to 27% of the homes sold in 2009. While \$150,000 is not necessarily a recognized affordability benchmark, it has been common for homes in the \$100,000 to \$150,000 range to be considered affordable in Billings. Further analysis of home affordability based on median household income and home prices presents a challenging picture for low income households in Billings.

**Price of Home Low Income Households Can Afford, by Household Size**

| <b>One-Person Household</b>                                                                                                 | <b>50% of Median Household Income</b> | <b>80% of Median Household Income</b> |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| Annual Income Limit                                                                                                         | \$21,650                              | \$ 34,650                             |
| 30% of Annual Gross Income                                                                                                  | \$6,495                               | \$10,395                              |
| Monthly \$ Available for Housing                                                                                            | \$541                                 | \$866                                 |
| Monthly Principal & Interest Payment                                                                                        | \$433                                 | \$693                                 |
| <b>House Price:</b>                                                                                                         | <b>\$76,400</b>                       | <b>\$122,100</b>                      |
| <b>Two-Person Household</b>                                                                                                 | <b>50% of Median Household Income</b> | <b>80% of Median Household Income</b> |
| Annual Income Limit                                                                                                         | \$24,750                              | \$39,600                              |
| 30% of Annual Gross Income                                                                                                  | \$7,425                               | \$11,880                              |
| Monthly \$ Available for Housing                                                                                            | \$619                                 | \$ 990                                |
| Monthly Principal & Interest Payment                                                                                        | \$495                                 | \$792                                 |
| <b>House Price:</b>                                                                                                         | <b>\$87,300</b>                       | <b>\$139,600</b>                      |
| <b>Four-Person Household</b>                                                                                                | <b>50% of Median Household Income</b> | <b>80% of Median Household Income</b> |
| Annual Income Limit                                                                                                         | \$30,950                              | \$49,500                              |
| 30% of Annual Gross Income                                                                                                  | \$9,285                               | \$14,850                              |
| Monthly \$ Available for Housing                                                                                            | \$774                                 | \$1,238                               |
| Monthly Principal & Interest Payment                                                                                        | \$619                                 | \$990                                 |
| <b>House Price:</b>                                                                                                         | <b>\$109,000</b>                      | <b>\$174,500</b>                      |
| <i>Source: Planning Division based on FY09 HUD Income Guidelines</i>                                                        |                                       |                                       |
| <i>Assumptions: 30-year fixed-rate mortgage at 6% interest, monthly taxes and insurance costs of 1.5% of the home price</i> |                                       |                                       |

**Homeownership Rates:** There is marked disparity in the homeownership rate for minorities in Billings. According to the Housing Needs Assessment, the total minority population in Billings is 11% of the population. The overall homeownership rate in Billings is nearly 70%, which matches the rate of homeownership for Caucasians.

With over 5,300 total households in Billings and 5.1% of the total population in 2008, American Indians represent the largest local ethnic cohort. According to HUD, the homeownership rate for American Indians in 1990 was 22%. By 2006, American Indian homeownership increased to 35%. The City facilitates the Billings Partners for American Indian Home Ownership to assist in bridging the gap to homeownership for American Indians.

**American Indian (AI) Home Ownership in Billings  
1990 - 2006**

| <b>Year</b>                                                                                                                                                                                           | <b>Number of AI Owner Households</b> | <b>Home Ownership Rate</b> | <b>Growth Since 1990</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------|--------------------------|
| <b>2006</b>                                                                                                                                                                                           | 348                                  | 35.0%                      | 116%                     |
| <b>2000</b>                                                                                                                                                                                           | 255                                  | 27.4%                      | 58%                      |
| <b>1990</b>                                                                                                                                                                                           | 161                                  | 22.1%                      | -                        |
| <p align="center"><i>Sources: 1990 U.S. Census, 2000 U.S. Census, 2006 American Community Survey<br/>Prepared By: Parker A. Ross - HUD Economist - Denver Regional Office, September 13, 2007</i></p> |                                      |                            |                          |

The disparity is also significant for Hispanic / Latino and African American households. According to the Analysis of Impediments to Fair Housing Choice, an estimated 6,188 Hispanic / Latino individuals reside in the area. Census data in 1990 and 2000 identifies the homeownership rate in Montana for this cohort remained steady at 47%. African American homeownership is estimated at 43% according to the 2000 Census. Total estimated households in this cohort exceed 1,300 and 1.3% of the total population.

The rates of homeownership for identified minorities represent a disproportionately greater need as the percentage of persons in these racial / ethnic groups are at least ten percentage points lower than the overall homeownership rate. City continues outreach efforts to all minorities and special populations to increase homeownership.

**Rentals:** Like home prices, monthly rent costs in Billings continue to increase. The median rent in Billings increased 20% between 2005 and 2009, climbing from \$513 per month to \$615 per month. There was a slight leveling off of rental prices between 2008 and 2009, which may be attributed to the national recession and also may have been due to the increase in construction of multi-family units that occurred over that period.

**Median Prices for Rental Housing in Billings – October 2009**

| <b>Apartment Type</b>                                                                 | <b>Efficiency</b> | <b>One Bedroom</b> | <b>One Bedroom<br/>(heat paid)</b> | <b>Two Bedroom</b> | <b>Two Bedroom<br/>(heat paid)</b> | <b>Three Bedroom</b> |
|---------------------------------------------------------------------------------------|-------------------|--------------------|------------------------------------|--------------------|------------------------------------|----------------------|
| <i>Average Advertised Price</i>                                                       | \$386             | \$518              | \$518                              | \$620              | \$641                              | \$806                |
| <i>Median Advertised Price</i>                                                        | \$373             | \$495              | \$500                              | \$595              | \$605                              | \$750                |
| <p align="center"><i>Source: Howard Sumner, Real Estate Montana, October 2009</i></p> |                   |                    |                                    |                    |                                    |                      |

Comparing a one-person, two-person and four-person household making 30%, 50%, and 80% of median household income to the 2009 median rental prices for efficiency, one-bedroom, two-bedroom and three-bedroom units indicates that while affordability gaps are present for the very low-income households, more middle lower income households in Billings can afford renting housing versus buying housing. The median price of an efficiency unit of \$373 is affordable to a one-person household making 30% of the median household income if utilities are included. A one-person household making 50% of median income can afford a one-bedroom apartment at the median rental price.

**Rental Cost Low-Income Households Can Afford, by Household Size**

| <b>One-Person Household</b>                                                                                                                                                                                                                                                                       | <b>30% of Median Household Income</b> | <b>50% of Median Household Income</b> | <b>80% of Median Household Income</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Annual Income Limit                                                                                                                                                                                                                                                                               | \$13,000                              | \$21,650                              | \$34,650                              |
| 30% of Annual Gross Income                                                                                                                                                                                                                                                                        | \$3,900                               | \$6,495                               | \$10,395                              |
| Monthly \$ Available for Housing                                                                                                                                                                                                                                                                  | \$325                                 | \$541                                 | \$866                                 |
| *Monthly Utilities Payment                                                                                                                                                                                                                                                                        | \$65                                  | \$108                                 | \$173                                 |
| <b>Apartment Rent / Month:</b>                                                                                                                                                                                                                                                                    | <b>\$390</b>                          | <b>\$649</b>                          | <b>\$1,039</b>                        |
| <b>Two-Person Household</b>                                                                                                                                                                                                                                                                       | <b>30% of Median Household Income</b> | <b>50% of Median Household Income</b> | <b>80% of Median Household Income</b> |
| Annual Income Limit                                                                                                                                                                                                                                                                               | \$14,850                              | \$24,750                              | \$39,600                              |
| 30% of Annual Gross Income                                                                                                                                                                                                                                                                        | \$4,455                               | \$7,425                               | \$9,285                               |
| Monthly \$ Available for Housing                                                                                                                                                                                                                                                                  | \$371                                 | \$619                                 | \$774                                 |
| *Monthly Utilities Payment                                                                                                                                                                                                                                                                        | \$74                                  | \$124                                 | \$155                                 |
| <b>Apartment Rent / Month:</b>                                                                                                                                                                                                                                                                    | <b>\$445</b>                          | <b>\$743</b>                          | <b>\$929</b>                          |
| <b>Four-Person Household</b>                                                                                                                                                                                                                                                                      | <b>30% of Median Household Income</b> | <b>50% of Median Household Income</b> | <b>80% of Median Household Income</b> |
| Annual Income Limit                                                                                                                                                                                                                                                                               | \$34,650                              | \$30,950                              | \$49,500                              |
| 30% of Annual Gross Income                                                                                                                                                                                                                                                                        | \$10,395                              | \$11,880                              | \$14,850                              |
| Monthly \$ Available for Housing                                                                                                                                                                                                                                                                  | \$866                                 | \$990                                 | \$1,237                               |
| *Monthly Utilities Payment                                                                                                                                                                                                                                                                        | \$173                                 | \$198                                 | \$247                                 |
| <b>Apartment Rent / Month:</b>                                                                                                                                                                                                                                                                    | <b>\$1,039</b>                        | <b>\$1,188</b>                        | <b>\$1,484</b>                        |
| <i>Source: Planning Division based on FY09 HUD Income Guidelines</i><br><i>*Utilities factored as 20% of rent. Median household income is defined as the income level at which 50% of the households in Billings made more than that amount and 50% of households made less than that amount.</i> |                                       |                                       |                                       |

A two-person household at 50% of median income is able to afford \$595 monthly for a two-bedroom apartment, but the same household faces greater challenges at the 30% of median income level. With a total of \$445 available per month, including 20% for utilities, the two-person household making 30% of median income is not making enough for a median rental price one-bedroom apartment and may be forced into an efficiency apartment. This means that the very low income two-person household may be able to find rental housing but it may not meet the needs of the household based on accommodations and facilities. This is a situation where rental assistance is critical.

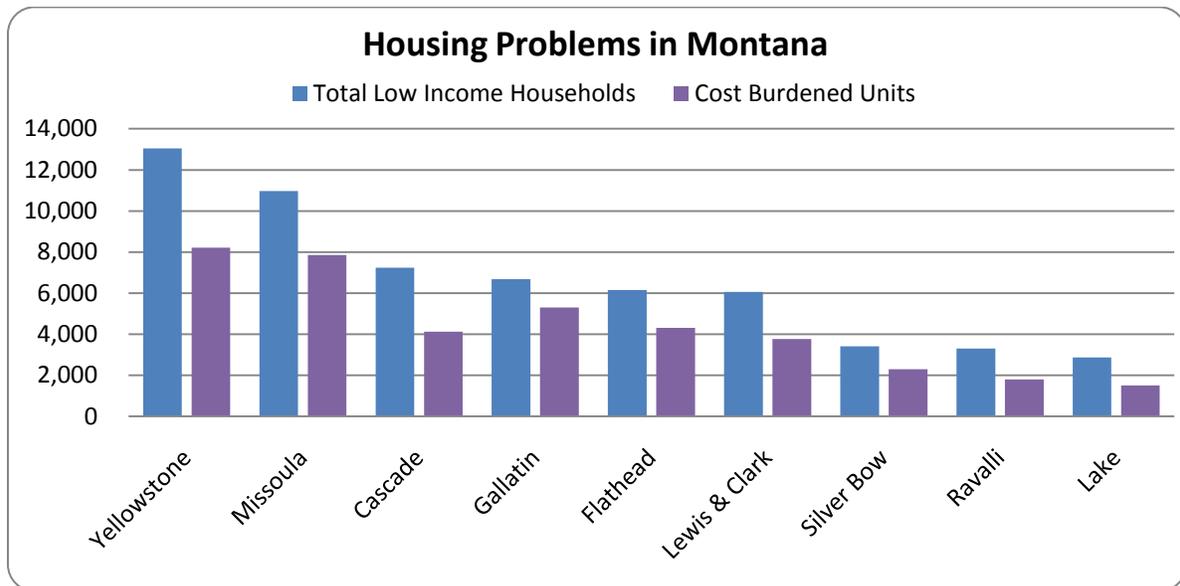
Four-person households making 30% of median income appear to have the ability to afford a three-bedroom apartment at the median rental price with some margin. The rental price data used for this analysis does not go above a three-bedroom unit, although it is assumed that the price for a four-bedroom rental unit, which would probably be a house, would be well above the \$750 median monthly rental price of a three-bedroom unit. Four-person households making 50% of median income and above would also be able to afford a three-bedroom apartment with some margin and may be able to afford a four-bedroom unit depending on the price.

**Cost Burden**

CHAS data identifies populations that are paying more than they can afford for housing costs. This is referred to as the degree of cost-burden for the household. Priority need populations include: the elderly (0% to 50% of the median household income); small related (0% to 50% of the median household

income); owners (50% to 80% of the median household income); and special populations (all income levels).

Yellowstone County has the highest number of low income households (50% or less of the area median income) and the highest number of cost burdened units in the state.



Housing Problems of Low Income Households (2009), <http://www.huduser.org/tmaps/LI-household/chas.html>

### Housing for Special Populations

Special populations, for the purposes of this Consolidated Plan, include the elderly, disabled, and persons with HIV / AIDS and their families. Examples of activities include the City’s contribution of funding for single-purpose rehabilitation or new construction projects targeted to the special needs of physically, mentally, or developmentally disabled and for those recovering from addiction.

**Elderly / Disabled:** Billings provides a wide range of services for the disabled. Many local service providers either directly provide housing or provide housing-related services that connect people with disabilities to housing programs. An inventory of assisted living and long term care facilities available in Billings indicates that there is significant supply of these facilities for seniors. Information from the State of Montana shows that there are 33 facilities classified as providing assisted living services for a total of more than 1,000 beds. Eight facilities in Billings are classified for as Long Term Care facilities by the state and have 867 beds. Six retirement homes in Billings provide 531 beds. While these facilities account for more than 2,300 beds and recent construction of new facilities indicates the demand for such facilities, approximately 14,407 people over age 65 lived in Billings in 2008 and more than 5,000 are estimated to have some disability that may require some level of assisted living.

In addition, not all beds provided in these facilities are permanent housing solutions. Some facilities provide rehabilitative care, respite care, or other short-term housing for the elderly before returning them to either another facility for permanent care or back to their homes. According to data collected from the Community Housing Survey, 17.5% of homeowners of all ages indicated a desire to move

within the next five years and of those, more than 36% expected to move into a condominium/patio home or retirement/assisted living facility.

**Assisted Living and Long Term Care Facilities in Billings**

| Type of Facility                      | # of Facilities | # of Beds    |
|---------------------------------------|-----------------|--------------|
| Assisted Living                       | 33              | 1,051        |
| Long Term Care                        | 8               | 867          |
| Retirement Homes                      | 6               | 531          |
| <b>Total</b>                          | <b>47</b>       | <b>2,449</b> |
| <i>Source: State of Montana, 2009</i> |                 |              |

**Private and Public Rental Assisted Housing for Elderly and Disabled  
Billings Housing Authority - October 2008**

| Elderly Only Units                           | # Units                 |
|----------------------------------------------|-------------------------|
| South Forty (Private)                        | 100                     |
| Magic City Terrace (Private)                 | 85                      |
| Volunteers of America (under construction)   | 66                      |
| Elderly and Family Units                     | # Units                 |
| Ponderosa Acres (Private)                    | 120                     |
| Big Sky Apartments (Private)                 | 80                      |
| Elderly and Handicapped Units                | # Units                 |
| Frazer Towers (Private)                      | 64                      |
| Prairie Towers (Private)                     | 108                     |
| Pleasantview Apartments (Private)            | 102                     |
| Sage Tower (Private)                         | 110                     |
| Phyllis Circle (Public)                      | 30                      |
| <b>Total Facilities: 10</b>                  | <b>Total Units: 864</b> |
| <i>Source: Housing Authority of Billings</i> |                         |

Over 800 rental assisted units are available in Billings for the elderly and disabled. However, demand is high and waiting lists are common. The 102-unit Pleasantview Apartments, a private rental assistance project, had a waiting list of 50 people in October 2009 for one- and two-bedroom units. Along with site specific housing options, programs like local and state Section 8 programs, both administered by the Housing Authority of Billings in the community, have long waiting lists that may leave some lower income elderly with limited options.

**Housing Authority of Billings Assistance Program Usage / Demand – October 2009**

| Assistance Programs             | Vouchers / Units in Use | Waiting List |
|---------------------------------|-------------------------|--------------|
| Housing Authority Section 8     | 579                     | 2,463        |
| State Section 8 (HAB manages)   | 480                     | 1,642        |
| Public HAB (Income Eligibility) | 271                     | 1,161        |
| MOD Rehab                       | 35                      | 443          |
| Homeless Veterans               | 35                      | Unknown      |
| <b>Total</b>                    | <b>1,400</b>            | <b>5,709</b> |

*Source: Housing Authority of Billings*

Between programs provided by the Community Development Division, the Yellowstone County Council on Aging, the Housing Authority of Billings, and other local service organizations, the elderly and disabled have access to a variety of housing services in Billings. These services range from minor home repair to retrofitting for accessibility, to providing rental assistance. Helping the elderly age in place and the disabled remain in their homes appears to be one of the best ways to promote independence, maintain community, and reduce the costs of housing for the aging / disabled population in Billings.

***Community Housing for People with Disabilities - Billings 2009***

| <b><i>Organization</i></b>                          | <b><i>Homes</i></b> | <b><i>People</i></b> |
|-----------------------------------------------------|---------------------|----------------------|
| Anaconda Work and Residential Enterprises (AWARE)   | 9                   | 34                   |
| Residential Support and Development (RSD)           | 2                   | 12                   |
| Residential Support Services (RSS)                  | 11                  | 78                   |
| Support and Techniques for Empowering People (STEP) | 2                   | 9                    |
| <b>Total</b>                                        | <b>24</b>           | <b>133</b>           |

*Source: Provider Organizations and the Montana Department of Public Health and Human Services – Licensing Bureau*

**Persons with HIV / AIDS:** The City is not a direct recipient of funding under the Housing Opportunities for Persons with Aids (HOPWA) program. The City will support applications for HOPWA funds to address housing needs of persons with HIV / AIDS in Billings. The City will utilize federal resources allocated to support efforts in Billings consistent with the City's Consolidated Plan for HOME and CDBG resources.

The HOPWA program is administered via tri-state region (Tri-State HELP) which includes Montana, North Dakota and South Dakota. HOPWA provides short and long term rental assistance and limited supportive services: transportation to medical appointments; assistance with housing deposits, case management, and emergency support with utilities. Currently, the Yellowstone AIDS Project serves 36 clients and their families through HOPWA with a total annual budget of \$279,000.

**Victims of Domestic Violence:** The provisions of the Violence Against Women Act (VAWA), effective January 5, 2006, requires that the Consolidated Plan contain estimated housing needs for victims of domestic violence, dating violence, sexual assault and stalking. The local YWCA Gateway House is the only dedicated provider of housing for victims of domestic violence in Billings, providing housing and services for hundreds of women and their children each year.

## SECTION SEVEN - Housing Needs

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### Low to Moderate Income Housing Needs

The City of Billings continues to experience steady growth in population and services. The national recession has slowed the pace of home construction and commercial development in the City over the past two years and is likely to continue to limit activity into the future.

The demand for services for low income and special needs populations continues to outpace supply in Billings. The housing programs administered by the Community Development Division are being fully allocated and there appears to be additional demand for these programs. The Community Development Division's Housing Rehabilitation Loan Program, Minor Home Repair Program, and the First Time Home Buyer Program served a combined total of 411 households in Billings from 2005 through 2009.

The Housing Authority of Billings has long waiting lists for its programs and services, and the need for additional group housing for people with disabilities, and housing services for elderly residents continues to place demands on service providers beyond funding and capacity. Significant increases in the elderly population in the next several years as the baby boomer generation retires will also place added pressure on community services for the elderly.

Based on HUD Comprehensive Housing Affordability Strategy (CHAS) and Census Bureau data, an increase of 454 low-income homeowners is projected in Billings by 2015. These units are distributed across all three of the HUD income ranges of 0%-30%, 31%-50% and 51%-80% of median family income. Priority levels of Low, Medium and High have been assigned to the three homeowner household types and provided in Table 2A / 1B based on cost burden, overcrowding, substandard conditions and expected change in number of households. Due to the City's small population size, the data Table 1B is included in Table 2A under the "Special Populations" section.

#### High priority has been placed on housing needs of the following populations:

- **Elderly**
  - 0% - 30% Median Family Income (MFI)
  - 31% - 50% MFI
- **Small Related**
  - 0% - 30% MFI
  - 31% - 50% MFI
- **Owners**
  - 51% to 80% MFI
- **Special Populations**
  - 0% - 30% MFI
  - 31% - 50% MFI
  - 51% - 80% MFI

Middle-income households of 80% of the area median income are not eligible for CDBG / HOME funding, with the exception of the Neighborhood Stabilization Program, and therefore will not be included in the Consolidated Plan.

## Table 2A / 1B

### Low to Moderate Income Housing Needs by Household Type 2008-2015

| <b>Billings Housing Priority Needs Summary Table<br/>2008-2015</b>     |                                    |                          |                       |                        |                        |                        |                                       |
|------------------------------------------------------------------------|------------------------------------|--------------------------|-----------------------|------------------------|------------------------|------------------------|---------------------------------------|
| <i>Household Type</i>                                                  |                                    | <i>MFI Range</i>         | <i>Priority Level</i> | <i>2000 Households</i> | <i>2008 Households</i> | <i>2015 Households</i> | <i>Change in Households 2008-2015</i> |
| <b>Renters</b>                                                         | <b>Elderly</b> <sup>*</sup>        | 0%-30%                   | High                  | 566                    | 607                    | 645                    | 38                                    |
|                                                                        |                                    | 31%-50%                  | High                  | 656                    | 703                    | 747                    | 44                                    |
|                                                                        |                                    | 51%-80%                  | Moderate              | 527                    | 565                    | 601                    | 36                                    |
|                                                                        | <b>Small Related</b> <sup>**</sup> | 0%-30%                   | High                  | 985                    | 1056                   | 1123                   | 67                                    |
|                                                                        |                                    | 31%-50%                  | High                  | 908                    | 973                    | 1034                   | 61                                    |
|                                                                        |                                    | 51%-80%                  | Moderate              | 1108                   | 1188                   | 1263                   | 75                                    |
|                                                                        | <b>Large Related</b> <sup>†</sup>  | 0%-30%                   | Moderate              | 157                    | 168                    | 179                    | 11                                    |
|                                                                        |                                    | 31%-50%                  | Moderate              | 70                     | 75                     | 80                     | 5                                     |
|                                                                        |                                    | 51%-80%                  | Low                   | 181                    | 194                    | 206                    | 12                                    |
|                                                                        | <b>All other</b> <sup>‡</sup>      | 0%-30%                   | Moderate              | 1112                   | 1192                   | 1267                   | 75                                    |
|                                                                        |                                    | 31%-50%                  | Moderate              | 1183                   | 1268                   | 1348                   | 80                                    |
|                                                                        |                                    | 51%-80%                  | Moderate              | 1309                   | 1403                   | 1491                   | 88                                    |
| <b>Owners</b>                                                          |                                    | 0%-30%                   | Low                   | 1101                   | 1180                   | 1254                   | 73                                    |
|                                                                        |                                    | 31%-50%                  | Moderate              | 1882                   | 2018                   | 2145                   | 127                                   |
|                                                                        |                                    | 51%-80%                  | High                  | 3538                   | 4038                   | 4292                   | 254                                   |
| <b>Special Populations</b>                                             |                                    | 0%-30%                   | High                  | 1253                   | 1343                   | 1428                   | 85                                    |
|                                                                        |                                    | 31%-50%                  | High                  | 1244                   | 1334                   | 1418                   | 84                                    |
|                                                                        |                                    | 51%-80%                  | High                  | 1026                   | 1100                   | 1169                   | 69                                    |
| <b>Total Households</b><br><i>Does not include Special Populations</i> |                                    | <b>0-80%</b>             |                       | <b>15,283</b>          | <b>16,628</b>          | <b>17,675</b>          | <b>1047</b>                           |
| <b>Total Households</b>                                                |                                    | <b>All income levels</b> |                       | <b>36,863</b>          | <b>40231</b>           | <b>42733</b>           | <b>2502</b>                           |

*Figures based on 2000 CHAS data, adjusted according to the average annual household growth rate of 0.90% found between 2000-2008, as reported by the 2000 U.S. Census and 2006-2008 American Community Survey*

<sup>\*</sup>*Defined as a one or two person household in which the head of household or spouse is at least 62 years of age.*

<sup>\*\*</sup>*Defined as a two to four person households that include at least one person related to the householder by blood, marriage, or adoption.*

<sup>†</sup>*Defined as a household of five or more persons that includes at least one person related to the householder by blood, marriage or adoption.*

<sup>‡</sup>*Defined as unrelated households without an elderly member (primarily single-person households).*

## Homeless & Special Needs Populations

Table 1A would be completed by recipients of HOPWA and Continuum of Care funding. The City does not receive HOPWA or Continuum of Care funding, but does take a primary lead in facilitating comprehensive planning for homeless populations in Billings. Please see the City's ten-year plan to impact homelessness, Welcome Home Billings, and FY2009-2011 action plans for the Mayor's Committee on Homelessness and the Billings Area Resource Network.

## Housing Needs Conclusions

### The Elderly

- Montana is projected to rank 6<sup>th</sup> in the Nation in 2010 for the percentage of the population that is elderly, according to the U.S. Census Bureau's Older Americans Report.
- The Census Bureau estimated that there were a total of 14,407 people over age 65 living in Billings in 2008. If 80% of them live in single-family detached housing as the 2006 study commissioned by the Montana Department of Commerce, Housing Division suggests, more than 11,500 elderly are living in single-family detached homes in Billings.
- The elderly population is going to increase significantly in Billings in the next five years. The Census Bureau's age category of 55 to 64 increased about 49% between 2000 and 2008, showing the growing baby boomer population is rapidly moving toward age 65. Based on this information, the community should expect a significant increase in its elder population in the coming years due to the increase in percentages in the 55 - 64 age cohorts. Elderly persons (65 or older) living alone accounted for about 5% of the Billings' population in 2008, indicating that there also is a significant number of elderly residents that are alone in their homes.
- There were 14,407 people over age 65 living in Billings in 2008 and more than 5,000 are estimated to have some disability that might require some level of assisted living. Demand for special living facilities for the elderly appears to remain high, according to facility and Census Bureau data. Information from the State of Montana shows that there are thirty-three facilities classified as providing assisted living services with a total of more than 1,000 beds in Billings. Furthermore, there are eight facilities having 867 beds classified as Long Term Care facilities by the state, and six retirement homes providing 531 beds. All of these facilities account for more than 2,300 beds, and recent construction of several new facilities indicates the increasing demand for such facilities.
- Housing affordability continues to be a challenge for the elderly like other populations. According to the 2006 State study, *A Guide to Assessing Senior Assisted Living Needs in Your Community*, by BBC Research and Consulting, of the estimated 9,076 elderly homeowners in Billings, 1,724 (19%) are spending more than 30% of their income to pay for their homes. An additional 689 (7%) of them are spending more than 50% of their income to pay for their homes. For the estimated 4,610 elderly that are renting housing in Billings, an estimated 2,443 (53%) are spending more than 30% of their income to rent housing and an estimated 1,198 (26%) are spending more than 26% of their income to rent housing.

### The Disabled

- There were 14,748 people with disabilities in Billings in 2007, according to the Census Bureau's 2005-2007 American Community Survey. The 2007 population with disabilities accounts for 14% of the total Billings population.
- Billings provides a wide range of services for the disabled, and many local service providers either supply housing directly or provide housing-related services that connect people with disabilities to housing programs. Interviews with the service providers for the disabled also showed that communication and coordination between providers is very good, and service referrals and communication among organizations are common practice.

- The Regional Office for the Developmental Disabilities Program (DDP), Montana Department of Health and Human Services, reports that 3,500 adults and children are on Supplemental Security Income (SSI) in Yellowstone County. SSI is one way to measure the number of people with disabilities in the community as it is designed to help aged, blind, and disabled people who have little or no income meet their basic needs for food, clothing, and shelter. DDP Regional Manager Suzn Gehring estimates that 90% of the disabled the office serves are on SSI. An additional 520 disabled adults and elderly are on Medicaid in Yellowstone County. It is estimated that about 2,900 of the people on SSI and Medicaid in Yellowstone County reside in Billings.

#### *Low- to Moderate- Income Renters*

- The national recession had a limited effect on rental prices in Billings. This has not appreciably reduced the affordability gaps identified between rental prices and the ability of low-income households to make monthly rent payments to date.
- A two-person household earning 30% of median income could not afford the median rental price of a one-bedroom apartment Billings in 2009.
- Low-income households of all sizes making 50% of the median household income have the greatest opportunities to find rental housing the community based on available income for rent.

#### *Low- to Moderate- Income Owners*

- The national recession had some effect on housing prices in Billings as the median home sale price in Billings in 2009 was lower than in 2008. In addition, the median household income for Billings has increased since 2005, helping to further reduce the affordability gap.
- A four-person household earning 80% of median household income could not afford the median priced home in Billings in 2009 of \$177,500, and was short by \$3,000. Based on the sale prices of homes in Billings, the same four-person household could afford approximately 40% of the homes on the housing market in 2009. However, these lower-priced homes may need improvements that would make them more costly to low-income buyers without housing rehabilitation assistance.
- One- and two-person households earning 50% or less of the median household income are not likely to afford be able to purchase a home on the current housing market. These households may need to consider rental housing.

## Priority Housing Needs

Primary strategies are proposed in the Consolidated Plan to meet the diverse needs of lower-income households in the community. These needs have been identified through the Billings Housing Needs Assessment. The Assessment was undertaken utilizing focus groups, individual interviews, a community survey, and an examination of census, economic and housing market data. This work, in addition to input from neighborhood groups and community partners, resulted in the identification of the following characteristics of the community, which the City will attempt to address with housing and community development activities:

1. The national recession has had some effect on housing prices in Billings, specific to homeownership, as the median home sale price in 2009 was lower than in 2008. This change, coupled with an increase in median household income, has assisted in reducing the affordability gap. However, a four-person household earning 80% of the median household income would not be able to afford a median priced home in 2009 (\$177,500).
2. Approximately 437 new housing units are needed annually in Billings to keep up with historical growth patterns. Building permit records indicate that the need for 437 new units has been met for the past four years. This finding does not consider affordability of the housing units created.
3. The preservation of the existing supply of affordable housing is an important factor influencing affordability for existing home owners and potential homebuyers.
4. Supporting infill development and infrastructure would assist the City in preserving existing, older neighborhoods where the affordable housing stock is located.
5. About one-third of the people renting housing in Billings and looking to buy a home would prefer to purchase manufactured housing.
6. The national recession had a limited effect on rental housing prices in Billings. The affordability gap with rentals remains high. Rent and deposit assistance programs are crucial for low-income households, particularly for those with special needs (elderly, disabled, homeless).
7. An aging population and the associated increase in the percentage of the population with disabilities indicate a continued need for the implementation of Universal Design concepts in housing construction and rehabilitation.

## Barriers to Accessing Housing

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Several barriers to the construction of affordable housing and maintaining residency in housing have been identified. They include:

- **Economic Conditions** – The Housing Needs Analysis reports median housing cost has exceeded median household income for certain household income levels. Lower income households have a difficult time affording and maintaining a suitable home in the current market and effects of the economic recession.
- **Cost of Development** - This includes infrastructure costs and leapfrog development.
- **Difficulty in Paying for Needed Repairs** - Many low-income households often pay the maximum percentage of their income for housing costs. Many of these households do not have the resources to pay for needed repairs to the property.

- **Few New Manufactured Housing Developments** - It is difficult for new manufactured housing developments to be approved, which raises the price of existing lots. Owners of manufactured homes have a difficult time finding an affordable place for their housing unit. While manufactured housing does have drawbacks, it also provides an affordable option for many families. The construction quality with manufactured housing continues to improve.
- **Tax Structure** - Dependence on property taxes to support local government costs, including infrastructure.

## Specific Housing Objectives for the City

Consolidated Plan strategies are identified following each objective and can be found in Section Eleven.

1. Homebuyer assistance is still needed to close the affordability gap, and has been provided through the First Time Homebuyer program. The Affordable Housing Development program can also be utilized to develop affordable housing. *(Strategy B)*
2. Support affordable housing development at the same levels. This goal is dependent on consistent levels of funding through CDBG and HOME programs. *(Strategy B)*
3. Provide affordable financing opportunities for housing repair to maintain the affordable housing stock. *(Strategy A)*
4. Provide CDBG / HOME financing opportunities through routine allocation processes and the Affordable Housing Development program. *(Strategy B)*
5. Offer affordable financing through the Affordable Housing Development program. *(Strategy B)*
6. Provide affordable financing for rental housing development / repair through the Affordable Housing Development program and deposit / rent assistance through Tenant Based Rental Assistance and Public Service grants. *(Strategies B and E)*
7. Prioritize Universal Design in Request for Proposal processes and also through the Affordable Housing Development program. *(Strategy B)*

## Public Housing Needs

The mission of the Housing Authority of Billings (HAB) is to help families and individuals with low incomes achieve greater stability and self reliance by providing safe, affordable, quality housing and links to the community. The HAB's 5-Year Annual Plan describes specific goals and objectives to be achieved over the next five years. The plan is available for review at the HAB office located at 2415 1st Avenue North, Billings, Montana.

The City of Billings enjoys a positive, collaborative relationship with the HAB for affordable housing and community development, advancement of sustainability initiatives, and comprehensive planning and implementation of *Welcome Home Billings*, the City's 10-Year plan to impact homelessness.

The HAB maintains the following programs, serving a total of 1,577 local households:

- 274 Public Housing units
- 579 Section 8 vouchers through the HAB Housing Choice Voucher program

- 515 vouchers through the Department of Commerce Housing Choice Voucher program
- Moderate Rehabilitation Section 8 program
- 27 HOME affordable housing units
- 100 elderly and disabled Section 8 New Construction project
- 15 Shelter Plus Care vouchers
- 35 Veterans Affairs Supportive Housing (VASH) vouchers

There are approximately 2,200 families on the Section 8 tenant-based waiting list and 1,200 on the Public Housing waiting list, indicating a high need for deposit, rent, and mortgage assistance. Applicants currently on the waiting list by unit size are as follows:

- One bedroom: 544
- Two bedroom: 369
- Three bedroom: 159
- Four bedroom: 88

This data supports the high need for smaller units as identified in the Housing Needs Analysis.

**Inspections & Housing Quality:** Local public housing units must be inspected for adherence to quality standards on an annual basis. If the HAB achieves a “High Performer” score through the Public Housing Assessment System (PHAS), HAB staff can complete annual inspections. An outside contractor can then perform the inspections on a bi-annual basis.

**Performance:** The HAB achieved a 98% PHAS score, therefore public housing units do not have to be inspected annually by an outside contractor. The results of the PHAS are maintained at the HAB office. The HAB has also achieved 100% score in the Section 8 Management Assessment Program. The HAB is expected to continue to achieve a High Performer ranking on their PHAS report, which assesses in great detail the management, operations, financial, resident survey, and physical needs addressed by the agency. This report is reviewed by HUD and by an independent auditor annually.

**Participation & Tenant Needs:** Each year the HAB goes through a process to assess physical needs addressed by tenants through their Advisory Board for the Annual Plan process; comments are also solicited via Resident Council functions throughout the year. These comments, advisory board participation, tenant commissioners, and Public Housing Administration’s daily communications with the HAB’s client base serve to assist the HAB 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 HAB Capital Fund planning process.

**504 Accessibility:** The HAB performed a baseline Section 504 Needs Assessment that was updated in detail for physical changes in 1992 and is now reviewed annually. Agency-wide, 7.8% of the HAB’s units are accessible. The HAB keeps track of demand for filling accessible units and wait list needs to assess when more accessible units may be needed. The HAB also keeps a list of accessible units in the community for the Section 8 and Shelter Plus Care participants to assist them in their search. This is completed via outreach survey to all landlords participating in the program. Outreach is done throughout the year to those who may need housing in accessible units. It often takes many offers before a unit is filled by a client requiring an accessible unit.

The HAB performs outreach to many agencies several times annually and to other program lists to make sure the HAB is able to fill accessible units with a family or individual who may need such a unit. If the HAB is not able to serve households for accessible units when their application comes to the top of the waiting list, they are offered a voucher to look for housing within the community. If an accessible unit at another program managed by the HAB has not been filled, applicants are allowed to transfer to that program.

The HAB will continue to review 504 Assessment results to determine when additional units and bedroom sizes may be needed in the inventory and research how to best implement those needs as they arise. As part of all HAB programs, the disabled and handicapped are encouraged and allowed to request reasonable accommodations using the Fair Housing Office approved forms to assist with whatever physical or assistance needs they may have.

The HAB 5-Year and Annual Plan submission of Section 504 information is on file at the local office for review.

## **Public Housing Strategy**

The HAB serves local residents who are extremely low income, very low income, and low income. The HAB 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 by the HAB. The HAB will continue to assess and implement modernization funds to upgrade and restore units and complete energy efficient repairs as needed.

**Family Self-Sufficiency:** The HAB implements the Family Self-Sufficiency program whose graduates have a 55% homeownership rate. This program links participants to community agencies to help them become self-sufficient through individual goal setting. HAB has been operating the Section 8 Homeownership program since 2006. Thirty-five households have achieved homeownership through this program to date. Resident councils and the Advisory Board are involved in providing input on program needs and assisting others to become actively involved in the process. Additional information is included in the HAB’s 5-Year Plan on file at the HAB office.

### **Housing Authority of Billings Assistance Program Usage / Demand – October 2009**

| <b>Assistance Programs</b>      | <b>Vouchers / Units in Use</b> | <b>Waiting List</b> |
|---------------------------------|--------------------------------|---------------------|
| Housing Authority Section 8     | 579                            | 2,463               |
| State Section 8 (HAB manages)   | 480                            | 1,642               |
| Public HAB (Income Eligibility) | 271                            | 1,161               |
| MOD Rehab                       | 35                             | 443                 |
| Homeless Veterans               | 35                             | ?                   |
| <b>Total:</b>                   | <b>1,400</b>                   | <b>5,709</b>        |

*Source: Housing Authority of Billings*

### *Public Housing Partnerships*

The City has provided a police officer for the HAB's Drug Elimination program since 1992. The HAB has been paying for this officer from its Operating Fund for the past several years and intends to continue to support this position as long as financially possible. The City has granted the HAB funds to build new units through the HOME and CDBG programs in neighborhoods where HAB 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 HAB complexes have been built. The City has provided funding for parks and play areas for the neighborhoods where HAB families reside. In addition, the businesses that have moved into areas where HAB properties are located have contributed to the economic stability of the HAB clients. The City's HOME program assists with home ownership down payment assistance and home ownership counseling for clients considering homeownership.

The City coordinates with the HAB for environmental reviews, housing needs assessments, assists in funding new projects when appropriate, and assists with applications for supportive services when called upon for needed assistance. The HAB is a High Performer for PHAS and, therefore, a review of troubled status needs is not required as part of this Consolidated Plan.

### *Loss of Public / Assisted Housing Units*

The HAB does not anticipate any loss in public housing units during the period of this plan. Additionally, the City does not anticipate the loss of other assisted housing units in our community that are owned by other nonprofit housing providers during the period of this plan.

## ***SECTION EIGHT - Fair Housing***

The City has completed an Analysis of Impediments to Fair Housing Choice study every five years since the 1990s. The need for fair housing education in Billings is significant. A HUD study conducted in 2003, *Discrimination in Metropolitan Housing Markets: Phase 3, Native Americans*<sup>i</sup>, clearly documented discrimination occurs in Billings, specifically. The study found that American Indians experience significant levels of discrimination, particularly evidenced in the lack of information provided by landlords about housing unit availability. This study referred to the results of an actual test case in Billings. Evidence such as this, in addition to anecdotal data provided by our American Indian partners, supports the findings of the current Analysis of Impediments to Fair Housing Choice.

The Community Development Division staff is dedicated to supporting fair housing efforts and initiatives in Billings. This includes ensuring that activities, projects and programs funded utilizing CDBG and HOME funding are carried out without discrimination, directly or indirectly, on the basis of race, color, religion, gender, national origin, age, familial status, disability or creed. This also includes efforts to affirmatively further fair housing, such as:

- Staff facilitation and administration of fair housing initiatives.
- Facilitating capacity-building efforts.
- Facilitating specific grant-writing activities to further local educational efforts.
- Promoting fair housing choice for all persons.
- Working to alleviate housing discrimination in Billings.
- Promoting housing that is accessible / usable by persons with disabilities.
- Providing opportunities for all persons to live in any given housing development.

As previously stated, the City actively partners with organizations with an interest in fair housing and has facilitated several grant applications for the Fair Housing Initiative Program (FHIP) available competitively through HUD. The City was awarded this grant in 2006 for over \$93,000. In 2007 and 2008 grant awards were made for over \$99,000 for each year. Previous partners and sub-recipients of FHIP funding include: homeWORD, the Community Housing Resource Board, Interfaith Hospitality Network, the Billings Partners for American Indian Homeownership and Yellowstone County Council on Aging in Billings.

The Analysis of Impediments to Fair Housing Choice can be viewed online:  
<http://www.ci.billings.mt.us/index.aspx?NID=500>.

## **Fair Housing Needs**

In addition, the ***Analysis of Impediments to Fair Housing Choice*** was completed in December 2007 by the Center for Applied Economic Research, Montana State University - Billings. The following impediments are listed in order of severity - the most critical issues are therefore at the top of the list:

1. Many members of protected classes do not appear to understand their housing rights under fair housing regulations.
2. Some landlords, property owners, and realtors do not act consistent with knowledge of fair housing regulations.
3. Income, credit, and housing affordability issues are tied to fair housing issues.
4. Lack of funding hampers the effectiveness of local services working on behalf of fair housing protected classes.
5. The lack of hard data concerning the effectiveness of specific fair housing programs hampers the goal of improving the delivery of fair housing services.

## **Strategy Response to Fair Housing Needs**

Consolidated Plan strategies are identified following each objective and can be found in Section Eleven.

1. Assist in the production and dissemination of consumer education on fair housing issues. *(Strategy C)*
2. Re-evaluate the effectiveness of existing fair housing educational materials. *(Strategy C)*
3. Plan for increasing significance of age-related disabilities. *(Strategy C)*
4. Assist in the education of landlords, property owners and realtors on Fair Housing responsibilities. *(Strategy C)*
5. Increase awareness among American Indians and other protected classes regarding the location of available housing units. *(Strategy C)*
6. Improve housing affordability. *(Strategies A, B, and E)*
7. Provide credit education. *(Strategy E)*
8. Revise existing fund model for fair housing education. *(Strategies C and E)*
9. All fair housing outreach and education efforts should include measureable goals. *(Strategy E)*

## SECTION NINE - Homelessness

### Introduction

The Mayor's Committee on Homelessness' ten-year plan to impact homelessness, *Welcome Home Billings*, has been designed to increase overall collaborative efforts and resources to assist the most vulnerable population in our community. This initiative is facilitated through the Community Development Division.

There are at least 600 homeless individuals in Billings on any given day; some are veterans, many are disabled, and most are challenged with addictions. Almost 80 families are currently experiencing homelessness locally, and 42% of these families are American Indian. Many of the homeless in Billings are working either part or full time, but cannot maintain housing. Most of the homeless individuals in Billings have lived here for at least two years; many have lived here their whole lives.

The costs to serve the homeless are exorbitant. Each homeless person costs over \$15,000 per year in public services. Each chronically homeless individual costs an estimated \$115,000 to serve in a year. **With nearly 2,400 people experiencing homelessness in Billings each year, the costs exceed \$54 million annually.** It is less expensive to house the homeless than to leave them on the streets.

Additional information regarding the City's homeless initiatives, including *Welcome Home Billings*, can be found online: [www.ci.billings.mt.us/homeless](http://www.ci.billings.mt.us/homeless). HUD's Table 1A is not included in this plan as the City does not receive HOPWA funding. However, extensive data is available on the City's website and throughout this plan.

### History

Homelessness is an issue that affects everyone in our community. From the emotional and physical toll homelessness takes on an individual experiencing it, to the financial toll it takes on everyone else. None of us is truly sheltered from the effects of homelessness. We often do not recognize the face of homelessness in our city, which not only affects chronically homeless individuals making their home on the streets – the most visible members of the homeless population – but also makes its appearance in our schools, amongst our veterans, working parents, and neighbors who are stretched just a little too far by daily expenses or overwhelming circumstances. The need for supportive and preventative services is diverse and growing, and the responsibility rests with the community.

The United States Interagency Council on Homelessness (USICH) has challenged states and cities nationwide to create ten-year plans to end chronic homelessness. USICH is primarily responsible for providing leadership and facilitation of efforts which are targeted to assist homeless individuals and families. USICH provides planning for federal activities, monitoring assistance for the homeless through federal and local channels, technical assistance for communities, and delivers information on federal resources for the homeless.

The Montana Council on Homelessness is a state-level council appointed by the Governor of Montana under Executive Order. The initial council was appointed in 2004 by Governor Judy Martz after a team of stakeholders attended a 2003 Policy Academy on Chronic Homelessness. The initial Council enlisted over 100 volunteers and crafted a draft ten-year plan to end chronic homelessness and to reduce homelessness overall by 2014. Governor Brian Schweitzer amended the Executive Order and appointed

new members in 2007. The 2007 Council has reviewed, revised and adopted the state's ten-year plan. The goals of the Council have included prioritizing and enhancing access to mainstream services and to permanent affordable housing for persons who are homeless, as well as preventing homelessness and strengthening political will. One of the Council's strategies was initiating a relationship with a city, through which state-level technical assistance and resources could work in concert with community-level efforts to address homelessness.

The City of Billings was chosen as a pilot project by the Montana Council on Homelessness<sup>ii</sup> to begin a ten-year planning process, with the ultimate goal of creating a replicable plan to end chronic homelessness in Billings. The initiative was dubbed *Welcome Home Billings*. Strategic planning sessions were facilitated in Billings by the Montana Council on Homelessness in November 2005 and March 2006 to coordinate the efforts of over 80 individuals interested in addressing homelessness on a local level.

Staff from the City of Billings' Community Development Division approached Mayor Ron Tussing regarding city support for the initiative and acceptance of the "pilot project" challenge. Mayor Tussing responded with strong support. A resolution was drafted to support the initiative and the Billings City Council appointed twenty committee members to spearhead efforts to develop a ten-year plan in April 2006. The Mayor's Committee on Homelessness has been meeting monthly since June 2006 and has been successful in efforts to gather data, implement national best practices, and involve the community in planning efforts.

### *Methodology*

Information presented in the ten-year plan concerning the extent, nature, characteristics and causes of homelessness in Billings has been generated from analyses of secondary research sources including data collected locally through the efforts of partners in the Mayor's Committee on Homelessness.

At this time, the Homeless Management Information System is being used on a limited basis in Billings and has been utilized for the past several years. This kind of automated system allows communities to obtain more accurate counts of the homeless. It also facilitates monitoring of services used by homeless clients, coordinating case management services, implementing institutional discharge protocols, and evaluating program effectiveness and benchmark achievements. In the absence of a Homeless Management Information System, we must rely on point-in-time surveys and service provider estimates to assess the number of homeless people living in Billings at any given time.

While efforts are made to avoid duplication and omissions in the statistical data, the nature of population presents barriers to gathering statistically valid data. Given these limitations, the data collected on the homeless in Billings provides statistical parameters and patterns which are helpful in setting strategic priorities and benchmarks.

Secondary data sources include (but are not limited to):

- *Survey of the Homeless* (2005, 2006, 2007 and 2008), facilitated by local homeless service providers, conducted by The Montana Continuum of Care Coalition, Montana Department of Health and Human Services.
- *Billings Addendum to the Survey of Homeless* (2007), City of Billings - Community Development Division.

- *Pathways Data System*, data gathered during Project Homeless Connect (2006 and 2007), community license courtesy of United Way of Yellowstone County.
- *PATH Program*, (2005-2006) annual reporting by the South Central Regional Community Mental Health Center.
- *Community Health Access Partnership Homeless Data* (March 2001 - September 2007) as provided by the Yellowstone City-County Health Department.
- *Healthcare for the Homeless* (2006, 2007 and 2008), Yellowstone City-County Health Department.
- *Students Served by the Billings Public Schools Homeless Education Grant* (2003 through 2009), Billings Public Schools.

### *Facts about Homelessness*

Researching available data brought to light many interesting demographic and characteristic points:

- Almost one-third of the homeless in Billings are employed either part-time or full-time.<sup>iii</sup>
- Based on service utilization, the estimated cost for serving one homeless person for one year in Billings is \$15,534.<sup>iv</sup>
- If 2,000 homeless people lived in Billings for one full year, the cost would exceed \$31 million annually.<sup>v</sup>
- Families with children are among the fastest growing homeless sub-populations in Montana.<sup>vi</sup>
- In 2008-2009, Billings School District #2 identified 413 homeless children in Billings, and the majority were 5 - 8 years old.<sup>vii</sup>
- The Billings *Healthcare for the Homeless* program served over 1,000 homeless individuals per year on average from 2006 through 2008.
- Service providers conservatively estimate over 2,000 homeless individuals and families move through Billings during the course of one year.
- Being homeless can decrease a person's life expectancy by up to 40 years.<sup>viii</sup>
- The death rate for homeless men is four times that of the general population.<sup>ix</sup>
- Death amongst homeless women aged 18 – 44 is ten times more likely than among women in the general population.<sup>x</sup>
- In Billings, half of the homeless are actively seeking a place to live and permanent housing is their first choice of housing options.<sup>xi</sup>

### *Mayor's Committee on Homelessness*

The Mayor's Committee on Homelessness is dedicated to inclusive community participation. Membership of the Committee represents broad stakeholder groups including housing and service providers, civic and business leaders, economic and work force agencies, faith-based organizations, philanthropy groups, homeless individuals (participants), and other interested parties.

| <b>Mayor's Committee on Homelessness</b>                                                           |                                                                                                            |
|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| <b>Mary Lou Affleck</b><br>Affleck Consulting                                                      | <b>Ken Chase</b><br>Veteran Representative                                                                 |
| <b>Adela Awner, Executive Director</b><br>Interfaith Hospitality Network                           | <b>Bruce MacIntyre, Director</b><br>Chamber of Commerce                                                    |
| <b>Lucy Brown, Executive Director</b><br>Housing Authority of Billings                             | <b>Sue Runkle, Homeless Education Liaison</b><br>Billings Public Schools                                   |
| <b>Joseph Chalupa, Executive Director</b><br>Mental Health Center - The HUB                        | <b>Kathie Shandera</b><br>United Way Yellowstone County                                                    |
| <b>Paul Chinberg, Executive Director</b><br>Family Service, Inc.                                   | <b>John Hines</b><br>Homeless Participant Representative                                                   |
| <b>Bill Cochran, Director</b><br>Parmly Billings Library                                           | <b>Claire Coleman</b><br>Health Services Representative                                                    |
| <b>Larry Gaalswyk, Executive Director</b><br>T.E.A.M. Mentoring, Inc.                              | <b>Judy Stewart, Director of Strategic Partnerships</b><br>RiverStone Health / Healthcare for the Homeless |
| <b>Lisa Harmon, Director</b><br>Downtown Billings Alliance                                         | <b>Mona Sumner, COO</b><br>Rimrock Foundation                                                              |
| <b>Sheri Boelter, Chief of Development &amp; Planning</b><br>District 7 HRDC                       | <b>Leonard Smith, Executive Director</b><br>Native American Development Corporation                        |
| <b>Stephanie Iron Shooter, American Indian Liaison</b><br>Montana / Wyoming Tribal Leaders Council |                                                                                                            |

### *Billings Area Resource Network*

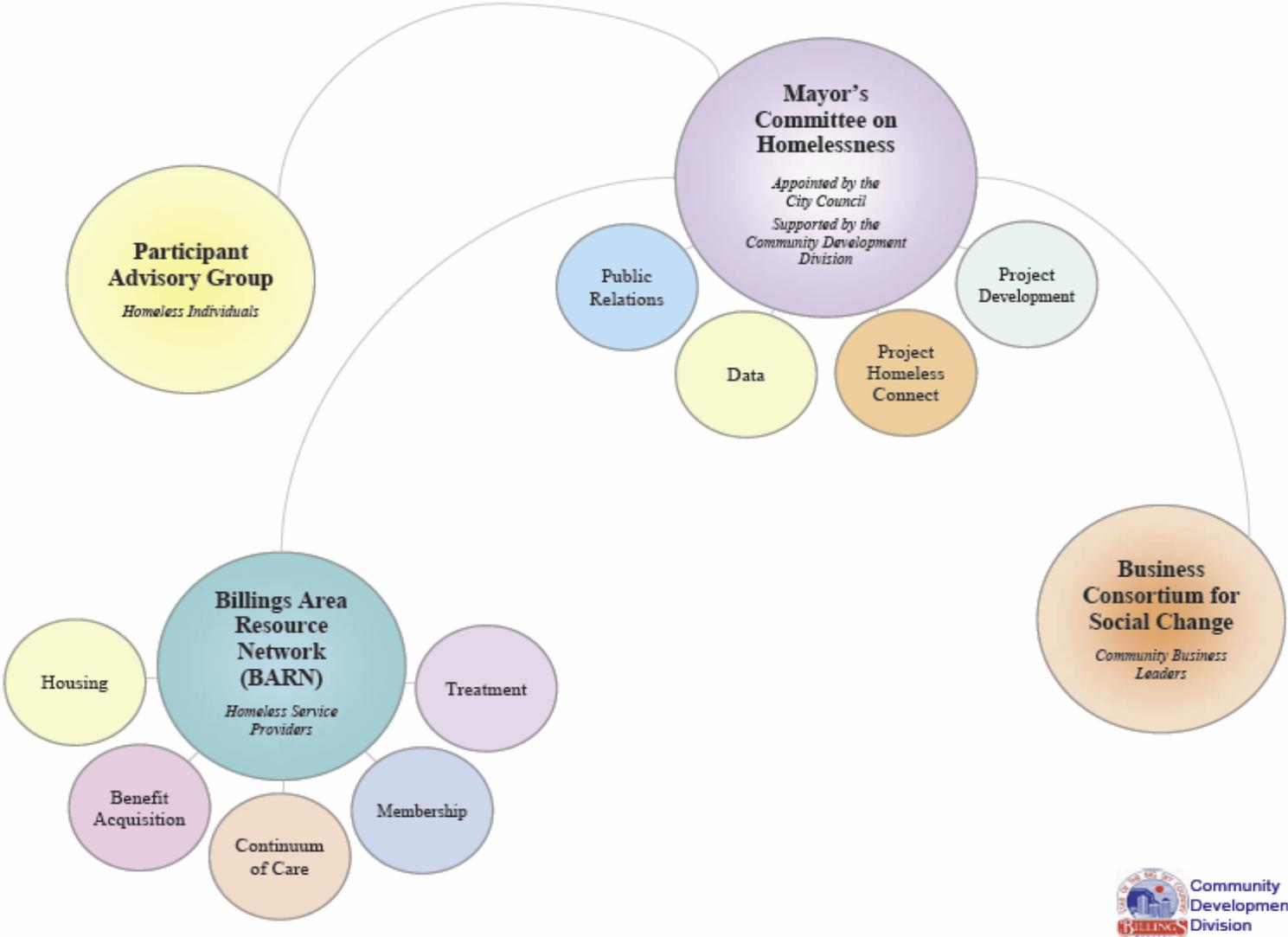
Billings offers a great number of services to its citizens, but needs for funding, staffing, innovative programs and coordination exist. It is important to the Mayor's Committee on Homelessness to be able to effectively relay information regarding the vast service array available in Billings to the homeless and those who may be at risk of homelessness. To this end, the Billings Area Resource Network (BARN) has been established to provide a vast knowledge and advisory base for the Mayor's Committee on Homelessness. The expertise and willingness of the BARN members to participate in the ten-year planning process are to be commended. The BARN is comprised of 33 service and resource providers who network for the purpose of improving service delivery in Billings.

| <b>Billings Area Resource Network</b>          |                                                     |
|------------------------------------------------|-----------------------------------------------------|
| Billings Food Bank, Inc.                       | Montana Dads Incarcerated                           |
| Billings Job Service Work Force Center         | Montana Rescue Mission                              |
| Business Improvement District                  | Passages                                            |
| City of Billings Aviation and Transit MET      | Rimrock Foundation                                  |
| Community Crisis Center                        | Roots of Promise                                    |
| District 7 HRDC                                | Salvation Army                                      |
| DPHHS Addictive and Mental Disorders Division  | Second Chance Homes                                 |
| Family Service, Inc.                           | Society of Saint Vincent de Paul                    |
| Friendship House of Christian Service          | Southside Neighborhood Task Force                   |
| Head Start, Inc.                               | St. Vincent Care Management Department              |
| Healthcare for the Homeless                    | Billings Public Schools: Homeless Education Liaison |
| Housing Authority of Billings                  | Tumbleweed                                          |
| Interfaith Hospitality Network                 | Volunteers of America, WY & MT, Independence Hall   |
| Living Independently for Today and Tomorrow    | Willson LLC                                         |
| Mental Health Center                           | YCCOA Resource Center                               |
| Montana Center on Disabilities                 | Yellowstone AIDS Project                            |
| Yellowstone County Family Drug Treatment Court |                                                     |

*Other Coordination & Collaboration*

Several teams and groups are assisting in the overall implementation of Welcome Home Billings, including homeless participants and members of the business community. Local “social enterprise” employers, such as MasterLube and the Business Improvement District, employ currently and formerly homeless and at-risk individuals. Employing this population certainly comes with risks, but there are also great benefits for both employee and employer, as well as for the larger community. Social enterprise is a business model that has been implemented world-wide, and the Mayor’s Committee on Homelessness hopes it will find more wide-spread implementation in Billings.

# Homeless Initiative Coordination Teams in Billings, Montana

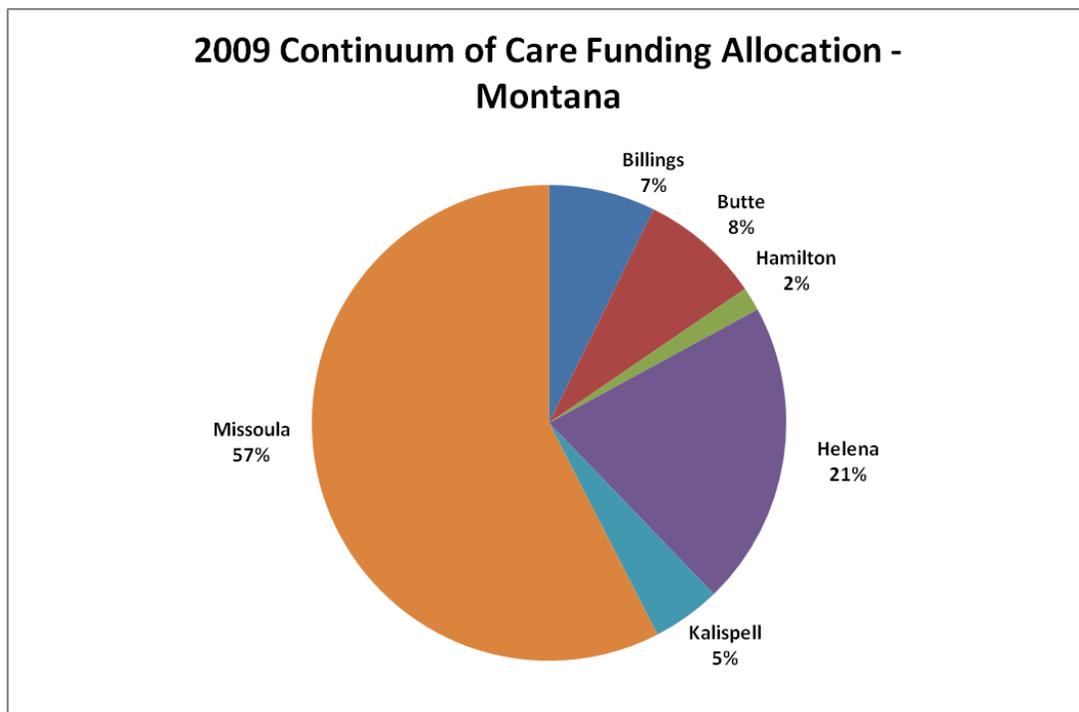


## Funding

The City's work with the homeless is impacted significantly by the fact that it is not a direct recipient of homeless funding. Funds are provided to the State of Montana and are distributed by the State to various regions in Montana through the Human Resource Development Councils. A Continuum of Care application is prepared on a statewide basis and the City plays a small role in this process. The City's homeless activities are also impacted by the fact that the primary provider of shelter to individuals and women and families in Billings is the Montana Rescue Mission (MRM). The MRM effectively raises funds to support its various activities including job training and transitional housing programs. The Rescue Mission traditionally has not pursued or accepted government grants.

The City does not receive Emergency Shelter Grant funds. These funds are distributed statewide by the Montana Department of Public Health and Human Services (DPHHS) through ten Human Resource Development Councils throughout the state.

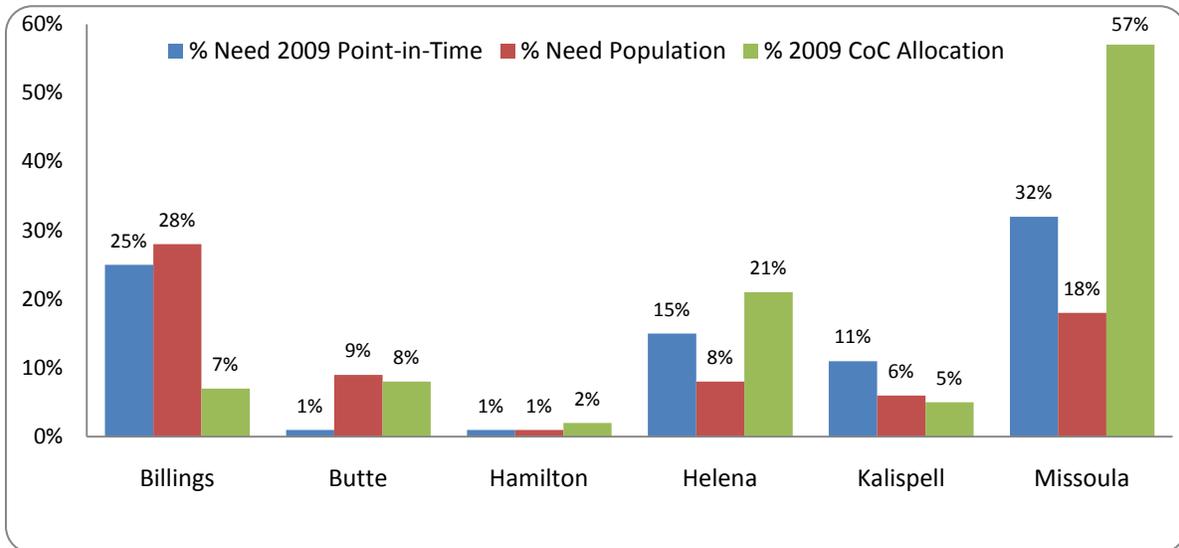
The Montana Continuum of Care (MT CoC) for the Homeless Coalition is the state's lead agency for addressing homeless activities, and is a statewide collaboration of diverse homeless service providers, nonprofit organizations and local and state governments. The coalition was formed to address homelessness 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. Billings received approximately seven percent of the total overall funding available through the MT CoC in 2009, although Billings has the highest population of homeless individuals in the state.



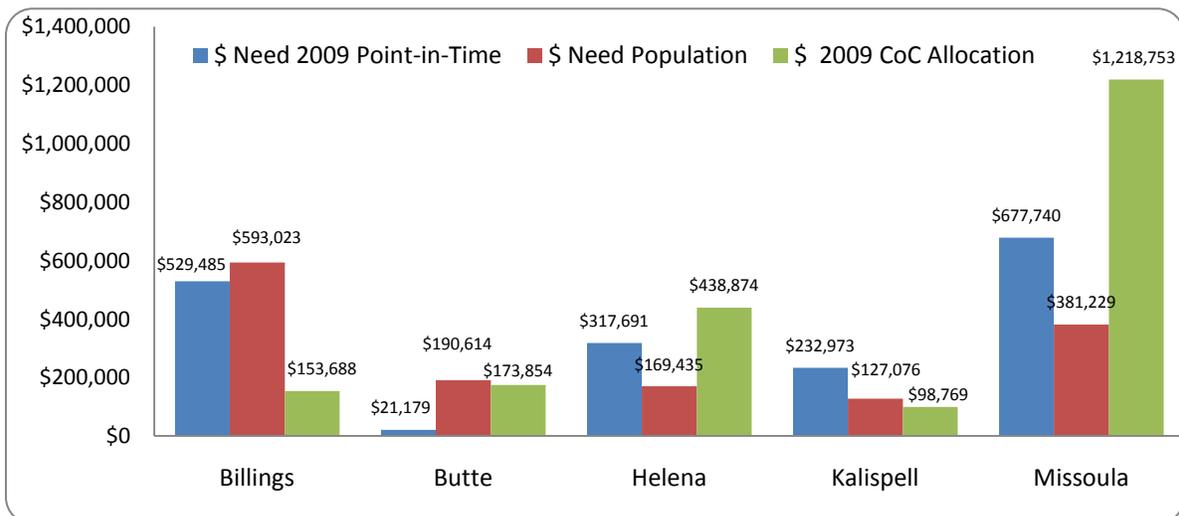
The MT CoC completes an annual "point-in-time" survey of the homeless population in Montana, which is widely utilized to determine the needs of the homeless in Montana. Volunteers and nonprofit workers in each of seven major population centers, including Billings, reached as many of Montana's homeless people as possible during that time. There was no duplication among those surveyed. The questions and

survey dates were consistent statewide, but the survey cannot be considered definitive or scientifically valid because methodology was left to the discretion of the agencies administering it.

HUD recommends that continuums utilize a number of tools to determine need for homeless funding. The following chart (data provided by Ann Denton, HUD Consultant, during a meeting held on November 12-13, 2009, *Addressing Homelessness - Moving Forward*) compares the results of the 2009 point-in-time survey with a percentage of overall population by city, and also compares the 2009 CoC Allocation based on needs.



The following chart represents the dollar figures that were estimated as needed to serve the homeless by the results of the point-in-time survey, a percentage of the overall population, and actual funding allocated. The current method utilized by the CoC shows great disparity in funding allocations.



## *Homeless Data & Analysis*

Continuum of Care (CoC) data was extensively reviewed in preparation for the 10-Year planning process and was downloaded manually from available websites. Data sets have been developed including charts and preliminary data interpretation by the Community Development Division. CoC websites do not have the capability to download specific information unless it is programmed into the website tool (for example, all questions on the survey are not available on the website for review). Some of the questions asked in the 2005 survey were changed for surveys conducted in 2006 and 2007. As a result, some of the charts available reflect available information for all three survey years, while others only reflect 2006 and 2007. All data charts can be accessed on the City website:

<http://ci.billings.mt.us/index.asp?nid=84>.

CoC data delivers characteristics of homeless individuals who were willing to participate in the survey at the time it was administered. The total number of homeless individuals is a “point-in-time” measurement for those interviewed and is not designed to reflect the total number of homeless individuals in Billings, nor does it represent absolute characteristics for all homeless individuals. Averages were utilized in many of the data charts developed and programs may “round up” to whole numbers, causing some small discrepancies in data charts and labels. Continuum of Care websites can be accessed online:

2005: <http://nth-degree.com/mthomeless/index2.html>

2006: <http://nth-degree.com/mthomeless/svg06.html>

2007: <http://nth-degree.com/mthomeless/svg07.html>

2008: <http://mthomeless.org/2008/hud/index-2008-hud.html>

The following data sets are preliminary results of compiled data from the Continuum of Care survey as reviewed for 2005, 2006, 2007 and 2008.

### *Overall Homeless Population in Billings*

- Nearly 30% of the state’s homeless population in Montana is in Billings.
- On average, there are 600 homeless individuals willing to be surveyed on one day.
- 63% of the homeless surveyed meet HUD’s definition of homelessness.
- Substance abuse (1st cause), lack of employment (2nd cause) and mental health issues (3rd cause) are the leading primary causes of homelessness in Billings.
- As with all of the subsets, there is a direct correlation between years of education and the risk of homelessness.
- 13% of those surveyed need to find alternative living situations within one week.
- Although we have a highly visible American Indian homeless population (or those who visit Billings from neighboring Reservations), the majority of our homeless (55%) are Caucasian.
- Our highest ethnic population is American Indian at 29%, which is disproportionate to the 8-10% of the general population in Billings.
- Men outnumber women overall in Billings: 56% men to 44% women.

- Most of the homeless surveyed in Billings sleep outside, in shelter care, or with others.
- 61% of the homeless surveyed were homeless not more than once during the last year.
- Even though 55% have at least a high school education, the homeless may have learning disabilities or other impairments and have great difficulties with basic skills such as reading / writing (interpreted by Healthcare by the Homeless).
- 18% of the homeless have some college, and a few have a graduate degree.
- 7% of the homeless were homeowners at one time.
- Only 10% of the homeless population was homeless three or more times in the last year, which may represent our chronic homeless population.
- 27% of our homeless are employed!
- 21% of the homeless have lived in Billings their entire life.

### *Individuals – Unaccompanied Adults*

- 365 individuals are in Billings at any one time.
- 69% are male and 67% are aged 30-59. This data can be utilized as a basic profile for homeless individuals in Billings.
- 18% went to college, and 26% are employed (similar to overall).
- A smaller percentage of individuals are American Indian than the overall population (21% compared to 29%).

### *Families – Individuals Accompanied by Family Members*

- There are at least 80 homeless families in Billings, on average, at one time! Most of these families have a female head of household (69%).
- 35% of family respondents are 18-29 years old, and 55% are 30-59.
- 8% of the families were expecting a child when surveyed.
- 54% of accompanying children are under 13 years old.
- There are more American Indian families in Billings than any other race! 42% of the homeless families in Billings are American Indian and 40% are Caucasian.
- Mental health issues are the number one cause of homelessness for families. Substance abuse is the second cause, and lifestyle choice is third.
- Domestic abuse affects 12% of our homeless families and is the 4th cause of homelessness compared to the 7th cause of homelessness in the overall<sup>1</sup> population.
- A higher percentage of the homeless families have lived in Billings their entire life (24% compared to 20% overall).

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<sup>1</sup> Healthcare for the Homeless employees believe domestic violence may be under-reported, and may also correlate with the first two causes of homelessness (mental health and lifestyle choice).

- Families more often stay with others followed by shelter care.
- 16% of our homeless families have been asked to leave their current living situation within one week compared to 13% overall.
- 21% went to college (compared to 18% overall) and 24% are employed (compared to 27% overall). This cohort is more educated and less employed than the overall homeless population.

### *American Indian*

- 29% of the homeless population are American Indian and represent the largest minority population in Billings.
- 52% of the American Indian population is female compared to 44% overall.
- 9% of the American Indian homeless are pregnant compared to 3% overall.
- 20% of American Indians are 18-29 compared to 26% overall (6% less).
- 70% of American Indians are 30-59 compared to 63% overall (7% more).
- 32% of accompanying family members are under 5 years old compared to 28% overall.
- 60% of accompanying family members are under the age of 13 compared to 51% overall.
- Substance abuse is the number one cause, job loss is number two, and eviction is the third cause.
- 20% of American Indians are being asked to leave within one week (compared to 13% overall), which is 7% higher than the overall population.
- American Indians (AI) are more likely to remain in Billings longer than the overall population:
  - Up to 4 months (27% overall, 29% AI)
  - 2 – 10 years (26% overall, 31% AI)
  - 10+ years (34% overall, 39% AI)
  - Lifetime (20% overall, 27% AI)
- American Indians are less likely to be employed (22% AI, 27% overall).

### *Disabled*

- 44% of respondents indicated a disability.
- Almost 60% are male, and the largest age group is 30-59 years old. This data can be utilized as a profile.
- Mental illness is the first cause of homelessness, followed by substance abuse followed by physical disability.
- The disabled are more likely to be homeless for more than two years (12% overall, 19% disabled).

## Veterans

- 11% of the population in Billings responded that they served in the military.
- 21% reported length of time homeless exceeding 2 years.
- 36% of veteran respondents reported they went to college, compared to 19% overall.
- 26% are employed.
- A very low percentage of veterans receive veteran's benefits (9%).

## Temporarily Homeless

*Definition: Not previously homeless and homeless for a short period of time - less than six months.*

- First cause of homelessness is eviction followed by lack of employment and substance abuse which is unique to the cohort.
- This cohort is more evenly distributed by gender: 49% female; 50% male.
- The temporarily homeless are slightly more likely to have attended college (23% compared to 18% overall).
- This cohort is less likely to report a disability (44% overall, 37% temporary).
- 83% are not lifetime residents of Billings. 46% have been in Billings less than a year.

## Chronically Homeless

*Definition: An unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four episodes of homelessness in the past three years.*

- The chronically homeless population in Billings is about 12%, compared to the national average of 10%.
- More likely to be male (76% compared to 56% overall).
- The chronically homeless are less likely to have lived in Billings 10+ years than the overall population (28% compared to 34%).
- 24% indicated they've lived in Billings their entire life compared to 20% overall.
- 9% of the chronically homeless owned a home at one time.
- The chronically homeless are more likely to have less than a 9th grade education (21% compared to 10% overall). 51% of the chronically homeless do not have a high school education compared to 37% overall.
- 13% of the chronically homeless are employed, and 14% went to college.
- 97% of the chronically homeless have a disability.
- 15% of the chronically homeless indicated military service, but most were unable to identify the military era in which they served.

### Homeless Population & Needs

The sheltered homeless needs for the Billings community are primarily met by the Montana Rescue Mission, which operates both a men’s shelter and a women and family shelter. Montana Rescue Mission does not seek nor utilize federal funds for its operation. The City aids local service providers seeking to assist homeless families by providing funding through Public Service activities to provide rent, mortgage, utility, and deposit assistance. The needs of the homeless are varied by individual and household. Very simply, the homeless need access to housing, services, asset development and prevention. The City’s gap analysis revealed a particular need for housing assistance specifically for security deposits and rental / mortgage / utility payment assistance. Service gaps include a heightened need for day centers and legal services in the community.

| Billings Housing Inventory 2007       |              |
|---------------------------------------|--------------|
| Public Housing Units                  | 244          |
| Section 8 - Elderly & Disabled        | 384          |
| Section 8 - Elderly Only              | 100          |
| Section 8 - Family                    | 332          |
| Tax Credit Apt Complex                | 408          |
| Section 202 - Elderly & Disabled      | 109          |
| HUD Home Program                      | 24           |
| Emergency Shelter - Men               | 163          |
| Emergency Shelter - Women & Family    | 105          |
| Transitional - Men                    | 10           |
| Transitional - Women                  | 3            |
| Chemical Dependency - Men             | 28           |
| Chemical Dependency-Women             | 20           |
| Therapeutic Group Home - Boys         | 93           |
| Therapeutic Group Home - Girls        | 57           |
| Homeless Youth                        | 6            |
| Group Home - Developmentally Disabled | 52           |
| <b>Total Number of Units</b>          | <b>2,138</b> |

### Homeless Service Provider Survey, Matrix of Services and Housing Inventory

The Community Development Division conducted a service inventory analysis with the assistance of a VISTA volunteer who works with the Mayor’s Committee on Homelessness and the Billings Area Resource Network. The Provider Survey, Service Matrix and full Housing Inventory are located in the appendices. *Welcome Home Billings* contains a full listing of services available and gap analysis.

### Homeless Strategic Plan

The MT CoC plans to facilitate increased partnership of local governments in addressing chronic homelessness. The City supports this strategy and has become more involved with the CoC Coalition through the Mayor’s Committee on Homelessness. A local Continuum of Care group has been convened through the Billings Area Resource Network. The Community Development Division works with service providers to shape outreach, referral and permanent supportive housing programs into a local continuum. Throughout this process, the City supports the Montana Continuum of Care’s goals and strategies regarding homelessness, chronic homelessness, and homelessness prevention; the City also assists in the development of plans using services already in place.

*Welcome Home Billings* is the City’s completed ten-year plan to impact homelessness. It is a comprehensive document that includes data, resources, cross-cutting strategic goals and programmatic goals. The “Strategic Framework” can be utilized as a tool and duplicated by other communities wishing to implement plans to impact homelessness. Further, the Mayor’s Committee on Homelessness and the Billings Area Resource Network have committed to two-year action plans for implementation during FY2009-2011. These documents represent full commitments of the leadership involved in both groups, and primarily consist of fully-committed financial resources to implement the plans. Consolidated Plan Strategies are noted on the Programmatic Strategic Goals and Priorities for Housing, Prevention, Services and Assets. Consolidated Plan Strategies can be found in Section Eleven.

# WELCOME HOME BILLINGS

## Strategic Framework

### Ten-year Plan to Impact Homelessness

**Vision:** No one in Billings has to be homeless. Everyone in Billings has access to tools and opportunities for safe, appropriate and affordable housing.

**Mission:** The Mayor's Committee on Homelessness has partnered with local organizations and community members to develop and implement a comprehensive ten-year plan in the pursuit of ending chronic homelessness in the Billings community.

## CROSS-CUTTING STRATEGIC GOALS

|                |                                                                                                                                                                                                            |                                                                                                                                                                    |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COLLABORATION  | <b>A: Join community partners with resources to address homelessness intervention and prevention efforts and facilitate partnerships to improve collaboration, service array, leveraging and capacity.</b> |                                                                                                                                                                    |
|                | <b>A1:</b>                                                                                                                                                                                                 | Develop resources for funding homeless initiatives and coordinate grant efforts.                                                                                   |
|                | <b>A2:</b>                                                                                                                                                                                                 | Support Project Homeless Connect as an annual event.                                                                                                               |
|                | <b>A3:</b>                                                                                                                                                                                                 | Support the Billings Area Resource Network as a working homeless services / advisory body for the Mayor's Committee on Homelessness.                               |
|                | <b>A4:</b>                                                                                                                                                                                                 | Support the Business Consortium for Social Change to involve businesses in impacting the homeless / near-homeless.                                                 |
|                | <b>A5:</b>                                                                                                                                                                                                 | Create modes of communication between partnering organizations to facilitate coordination, avoid duplication, and increase collaboration to maximize resources.    |
| AWARENESS      | <b>B: Increase advocacy and public knowledge on behalf of the homeless.</b>                                                                                                                                |                                                                                                                                                                    |
|                | <b>B1:</b>                                                                                                                                                                                                 | Utilize the ten-year plan to provide guidance regarding homeless policy for local, state, and federal entities.                                                    |
|                | <b>B2:</b>                                                                                                                                                                                                 | Increase understanding of the causes and economic realities of homelessness through targeted public awareness campaigns for homeless projects and service events.  |
|                | <b>B3:</b>                                                                                                                                                                                                 | Promote understanding and respect for all people experiencing homelessness.                                                                                        |
|                | <b>B4:</b>                                                                                                                                                                                                 | Provide venues for those experiencing homelessness to have their ideas and concerns heard.                                                                         |
| ACCOUNTABILITY | <b>C: Ensure innovation, fiscal responsibility and long-term effectiveness for projects and programs.</b>                                                                                                  |                                                                                                                                                                    |
|                | <b>C1:</b>                                                                                                                                                                                                 | Support both prevention and intervention modalities for projects and programs.                                                                                     |
|                | <b>C2:</b>                                                                                                                                                                                                 | Closely monitor trends in the needs of the homeless and near-homeless in Billings in order to respond to community need.                                           |
|                | <b>C3:</b>                                                                                                                                                                                                 | Research innovation in homeless services and facilitate capacity-building with local service providers and community organizations to implement improved services. |
|                | <b>C4:</b>                                                                                                                                                                                                 | Support education efforts for case management, mentoring and services.                                                                                             |
| SUSTAINABILITY | <b>D: Ensure high standards for management, accountability and performance measurement.</b>                                                                                                                |                                                                                                                                                                    |
|                | <b>D1:</b>                                                                                                                                                                                                 | Embrace public involvement, comment and input for ten-year planning and project development efforts.                                                               |
|                | <b>D2:</b>                                                                                                                                                                                                 | Ensure performance measurements are implemented with each project and data is gathered and analyzed on a routine basis.                                            |
|                | <b>D3:</b>                                                                                                                                                                                                 | Evaluate projects for long-term sustainability as part of the routine processes prior to endorsement or facilitation.                                              |
|                | <b>D4:</b>                                                                                                                                                                                                 | Evaluate cost-effectiveness, essential services, and long-term business resource planning for all projects.                                                        |
|                | <b>D5:</b>                                                                                                                                                                                                 | Embrace public involvement, comment and input for ten-year planning and project development efforts.                                                               |

# WELCOME HOME BILLINGS

## Strategic Framework

### Ten-year Plan to Impact Homelessness

## PROGRAMMATIC STRATEGIC GOALS & PRIORITIES

| HOUSING                                                                                    |                                                                                                                                                                                            | PREVENTION                                                                                        |                                                                                                                                                                                                      | SERVICES                                                                                                  |                                                                                                                                                                                      | ASSETS                                                                                          |                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>E: Increase the city's supply of decent, affordable housing.</b><br>Con Plan Strategy B |                                                                                                                                                                                            | <b>F: Provide adequate emergency homeless prevention programs.</b><br>Con Plan Strategies B, C, E |                                                                                                                                                                                                      | <b>G: Expand treatment /service capacity and linkage to essential services.</b><br>Con Plan Strategy C, E |                                                                                                                                                                                      | <b>H: Increase personal income levels and economic opportunities.</b><br>Con Plan Strategy C, E |                                                                                                                                                                     |
| <b>E1:</b>                                                                                 | Increase supportive housing units, permanent rentals, transitional housing units, veterans housing, emergency shelter beds, housing for those returning from prison and those in recovery. | <b>F1:</b>                                                                                        | Increase funding dedicated to rent, utilities and mortgage assistance.                                                                                                                               | <b>G1:</b>                                                                                                | Expand coordinated intensive case management and street outreach services for the homeless.                                                                                          | <b>H1:</b>                                                                                      | Increase access to social service and income benefits by ensuring assistance is provided to complete applications.                                                  |
| <b>E2:</b>                                                                                 | Seek federal, state and local funding sources to support affordable housing development for households with very low income (0 - 30% Area Median Income).                                  | <b>F2:</b>                                                                                        | Support incentive programs for landlords to rent to the homeless or those at risk for homelessness, and increase service provider capacity to engage in long-term leasing and / or rental ownership. | <b>G2:</b>                                                                                                | Increase assistance to complete applications and facilitate application streamlining to access services, transportation, employment and housing.                                     | <b>H2:</b>                                                                                      | Support asset development, education, job training, and employment opportunities serving the homeless (and those at risk of homelessness) throughout the community. |
| <b>E3:</b>                                                                                 | Build local service provider capacity for affordable housing development, management and housing rehabilitation.                                                                           | <b>F3:</b>                                                                                        | Support pre-release / discharge planning education and intervention for all institutional services including foster care, prison, jail, and behavioral health facilities.                            | <b>G3:</b>                                                                                                | Increase availability and capacity of health care, mental health, substance abuse services, medication assistance and access to legal assistance to the very low income / uninsured. | <b>H3:</b>                                                                                      | Establish mentoring support systems, life skills training, and childcare assistance to the homeless (and those at risk of homelessness) currently in the workforce. |
| <b>E4:</b>                                                                                 | Provide Community Housing Development Organization (CHDO) capacity-building opportunities through the City's Community Development Division.                                               | <b>F4:</b>                                                                                        | Utilize <i>housing first</i> and <i>rapid re-housing</i> philosophies in developing housing options to shorten homelessness.                                                                         | <b>G4:</b>                                                                                                | Support increases in capacity for day center operations across the city.                                                                                                             | <b>H4:</b>                                                                                      | Support the expansion of financial fitness and credit assistance programs.                                                                                          |
| <b>E5:</b>                                                                                 | Decrease barriers to obtaining existing housing units and refine housing placement services and coordination.                                                                              | <b>F5:</b>                                                                                        | Support case management efforts to transition occupants from shelter care to permanent supportive housing.                                                                                           | <b>G5:</b>                                                                                                | Support expansion of community-based, criminal justice diversion and re-entry programs.                                                                                              | <b>H5:</b>                                                                                      | Promote fair wage rates and competitive bidding through the expansion of social enterprise efforts.                                                                 |
| <b>E6:</b>                                                                                 | Facilitate collaborative grant and loan applications for affordable housing development to serve the homeless.                                                                             | <b>F6:</b>                                                                                        | Support landlord-tenant intervention to prevent eviction.                                                                                                                                            | <b>G6:</b>                                                                                                | Establish one-stop shop to access all services for the homeless.                                                                                                                     | <b>H6:</b>                                                                                      | Increase financial management services for those in need.                                                                                                           |

### *Services in Place*

A complete list of service providers for the homeless can be found in the appendices. The City provides 15% of our annual CDBG allocation to Public Service activities in the community. In the past, the City has funded the YWCA Gateway Shelter, Tumbleweed Runaway and Homeless Youth Program, the District 7 Human Resources Development Council (HRDC), Family Service, Inc. and the Yellowstone Health Partnership. These programs provide services to the homeless and near-homeless and are described below.

The YWCA Gateway Shelter serves victims of domestic abuse and violence and sexual assault. CDBG funding is used to support general operating expenses of the program, which include housing, support, education, and advocacy for victims of domestic violence and sexual assault.

Tumbleweed Runaway and Homeless Youth Program is the only agency in Yellowstone County that directly addresses the needs of youth who are homeless, or at-risk of being homeless. The Tumbleweed program's goal is to divert youth from the juvenile justice system through the prevention of delinquency and other social problems. Youth are provided a positive alternative to running away / living on the streets. When youth are unable to return home, Tumbleweed provides shelter as appropriate, and also provides an alternative to jailing runaway and other status offender youth. Tumbleweed's mission and goals are all directed toward the prevention of homelessness, running away, severe family conflict, delinquency, and other social problems among youth.

HRDC receives Emergency Shelter Grants funds and provides emergency rent or mortgage assistance through those funds. They also administer the Low Income Energy Assistance Program for assistance in meeting the energy use needs of low-income families and individuals. Another program the HRDC administers is the Energy Share program, which helps low-income families remain in their homes. This program provides emergency utility assistance to low income families and individuals. The City provides funds to the HRDC for Housing Counseling, which prevents homelessness through default / foreclosure and rental counseling. Family Service, Inc. helps low-income individuals and families with emergency rent or mortgage expenses.

The City has provided funding to Yellowstone Health Partnership - Medication Assistance Program, which provides medications to low income households unable to pay for them, and also provides medications in the interim between the application and approval for SSI and Medicaid.

In addition to these activities, CDBG funding has been made available as a rehabilitation activity to build ramps for the disabled and to make accessibility improvements through the Housing Rehabilitation and Minor Home Repair programs.

HOME funding will also be available for housing for homeless and the special needs population, including Tenant-Based Rental Assistance. The City lists several goals and strategies in the Consolidated Plan which can be utilized to guide activities to assist the homeless, including promoting new affordable housing opportunities, emphasizing new / converted special needs housing, and working as an active partner with nonprofits, neighborhood groups, and others to address housing and community development needs.

### *Essential Services*

The Office of Public Assistance provides assistance for obtaining Food Stamps and Medicaid.

Food Banks are active participants in the local continuum and provide free groceries that oftentimes free up cash resources for rent, transportation and other essential needs. The City has funded the Food Bank with CDBG Public Services funds in the past to assist them in expanding their operational storage facility to meet ongoing and growing needs in the community.

The Salvation Army, St. Vincent de Paul and other faith-based organizations and churches in Billings also offer emergency assistance. Billings has the addition of a faith-based partnership, Interfaith Hospitality Network, to assist in providing assistance to homeless families. The Interfaith Hospitality Network is a unique partnership of area churches designed to assist homeless families by utilizing existing community resources. The churches provide rooms for overnight accommodations, congregations supply volunteers and food, and social service organization assess and refer homeless families to this and various other programs. Because the program utilizes volunteers, it does not accept person with substance abuse or untreated severe mental health issues. The program includes ten host congregations and four supporting congregations. The program does not require clients to attend church services or activities of the host congregation.

### *Discharge Coordination Policy*

The City does not receive McKinney-Vento Homeless Assistance Act funds and is not required to develop and implement a Discharge Coordination Policy. The City supports the MT CoC in their efforts to establish a Statewide Discharge Coordination Policy.

## **SECTION TEN - Community Development**

91.215(e)

### *Community Development Needs*

The following table illustrates identified needs, Consolidated Plan strategies designed to meet those needs, and goals listed in the Consolidated Plan. The majority of activities (particularly those in the Public Services arena) are funded through an application / allocation process. Therefore, it is difficult to identify specific goals for a five-year plan. Specific goals are identified on one-year action plans.

Numerous sources for data regarding community needs were referenced in the development of Table 2B: Priority Community Development Needs.

### *Basis for Assigning Priority - Specific to Community Needs*

The City's Neighborhood Stabilization Plan identified housing acquisition activities that may be undertaken utilizing the Montana Department of Commerce's Neighborhood Stabilization Program (NSP). The number of properties in Billings that need to be cleared, demolished and cleared due to contamination were identified in the City's NSP plan. This acquisition activity will only be identified in FY2010-2011 due to the short-term nature of the funding, commitment and expenditure deadlines.

The Housing Needs Assessment assisted staff in identifying priorities for clearance and demolition outside of the scope of the Neighborhood Stabilization Program. Aside from properties identified on the Montana Department of Commerce's methamphetamine website, the City has only one identified area with groundwater contamination. Properties on this site are reviewed with specialized conditions and requirements when being serviced through the City's housing repair programs. This study also identified high needs for senior services and services for the disabled.

Priority needs identified by the City's ten-year plan to impact homelessness, Welcome Home Billings, include: homeless facilities, day center facilities for the homeless, legal services, transportation services, substance abuse services, employment / training services, and assistance with mortgages / deposits / utilities.

The Community Needs Assessment completed in 2007 by the Human Resource Development Council - District 7 identified high needs for youth / child services and health services. The Citizen's Survey identified a moderate demand and high interest for the further development of bicycle / pedestrian trails. This type of development is typically funded through non-HUD programs.

### *Obstacles to Meeting Underserved Needs - Specific to Community Needs*

Meeting the identified community needs in Billings will require additional funding for activities, administration and capacity-building.

### *Long / Short Term Objectives*

91.100

Long term objectives are described in the City's five-year Consolidated Plan goals, located in Section Eleven. Short term goals can be found in the City's one-year action plan.

## PRIORITY COMMUNITY DEVELOPMENT NEEDS - Table 2B

Accomplishments will be reported on via Comprehensive Annual Performance Evaluation Report (CAPER)

This table has been altered to identify the Consolidated Plan Strategy, Goal, Funding Source specific to the Consolidated Plan and Citation Source to provide data on Need Level.

| Priority Need                                 | Priority Need Level* | Con Plan Strategy | Con Plan Goal | Con Plan Funding Source(s) | Source** | Notes                                                                                              |
|-----------------------------------------------|----------------------|-------------------|---------------|----------------------------|----------|----------------------------------------------------------------------------------------------------|
| Acquisition of Real Property                  | Moderate             | A                 | 10            | NSP                        | NSP      | For NSP implementation                                                                             |
| Disposition                                   | Moderate             | D                 | 1             | CDBG                       | CDD      | 27th Street Corridor Redevelopment                                                                 |
| Clearance and Demolition                      | Low                  | B                 | -             | CDBG, HOME                 | HNA      | As part of the Affordable Housing Development program                                              |
| Clearance of Contaminated Sites               | Low                  | B                 | -             | CDBG, HOME                 | HNA      |                                                                                                    |
| Code Enforcement                              | High                 | -                 | -             | -                          | -        | Currently funded through General Fund                                                              |
| <b>Public Facilities (General)</b>            |                      |                   |               |                            |          |                                                                                                    |
| Senior Centers                                | -                    | C                 | -             | CDBG                       | -        |                                                                                                    |
| Handicapped Centers                           | -                    | C                 | -             | CDBG                       | -        |                                                                                                    |
| Homeless Facilities                           | High                 | C                 | -             | CDBG, HOME                 | WHB      |                                                                                                    |
| Youth Centers                                 | -                    | C                 | -             | CDBG                       | -        |                                                                                                    |
| Neighborhood Facilities                       | -                    | C                 | -             | CDBG                       | -        |                                                                                                    |
| Child Care Centers                            | High                 | C                 | -             | CDBG                       | CNA      |                                                                                                    |
| Health Facilities                             | -                    | C                 | -             | CDBG                       | -        |                                                                                                    |
| Mental Health Facilities                      | -                    | C                 | -             | CDBG                       | -        |                                                                                                    |
| Parks and / or Recreation Facilities          | Moderate             | C                 | -             | -                          | CS       | Specific to pedestrian / bicycle trails                                                            |
| Parking Facilities                            | -                    | C                 | -             | -                          | -        |                                                                                                    |
| Tree Planting                                 | Moderate             | D                 | 50            | CDBG                       | CDD      |                                                                                                    |
| Fire Stations / Equipment                     | -                    | C                 | -             | -                          | -        |                                                                                                    |
| Abused / Neglected Children Facilities        | -                    | C                 | -             | CDBG                       | -        |                                                                                                    |
| Asbestos Removal                              | Low                  | A                 | -             | CDBG, HOME                 | HNA      |                                                                                                    |
| Non-Residential Historic Preservation         | -                    | -                 | -             | -                          | -        |                                                                                                    |
| Other: Day Center Facilities for the Homeless | High                 | C                 | -             | CDBG                       | WHB      |                                                                                                    |
| <b>Infrastructure (General)</b>               |                      |                   |               |                            |          |                                                                                                    |
| Water / Sewer Improvements                    | -                    | D                 | -             | CDBG                       | -        | Specific to low income neighborhoods and for previously approved Capital Improvement Projects only |
| Street Improvements                           | -                    | D                 | -             | CDBG                       | -        |                                                                                                    |
| Sidewalks                                     | -                    | D                 | -             | CDBG                       | -        |                                                                                                    |
| Solid Waste Disposal Improvements             | -                    | D                 | -             | CDBG                       | -        |                                                                                                    |
| Flood Drainage Improvements                   | -                    | D                 | -             | CDBG                       | -        |                                                                                                    |
| Other Infrastructure                          | -                    | D                 | -             | CDBG                       | -        |                                                                                                    |

| Priority Need                                 | Priority Need Level* | Con Plan Strategy | Con Plan Goal | Con Plan Funding Source(s) | Source** | Notes                                                                                                                                                                  |
|-----------------------------------------------|----------------------|-------------------|---------------|----------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Public Services (General)                     |                      |                   |               |                            |          |                                                                                                                                                                        |
| Senior Services                               | High                 | E                 | -             | CDBG                       | HNA      | Goals for public services relate to the number of organizations awarded funding. For the five-year Consolidated Plan, the City hopes to fund 20 service organizations. |
| Handicapped Services                          | High                 | E                 | -             | CDBG                       | HNA      |                                                                                                                                                                        |
| Legal Services                                | High                 | E                 | -             | CDBG                       | WHB      |                                                                                                                                                                        |
| Youth Services                                | High                 | E                 | -             | CDBG                       | CNA      |                                                                                                                                                                        |
| Child Care Services                           | High                 | E                 | -             | CDBG                       | CNA      |                                                                                                                                                                        |
| Transportation Services                       | High                 | E                 | -             | CDBG                       | WHB      |                                                                                                                                                                        |
| Substance Abuse Services                      | High                 | E                 | -             | CDBG                       | WHB      |                                                                                                                                                                        |
| Employment / Training Services                | High                 | E                 | -             | CDBG                       | CNA, WHB |                                                                                                                                                                        |
| Health Services                               | High                 | E                 | -             | CDBG                       | CNA, WHB |                                                                                                                                                                        |
| Lead Hazard Screening                         | Moderate             | A, B              | -             | CDBG, HOME                 | CDD      |                                                                                                                                                                        |
| Crime Awareness                               | -                    | -                 | -             | -                          | -        |                                                                                                                                                                        |
| Fair Housing Activities                       | High                 | C                 | -             | CDBG, FHIP                 | HUD, AI  |                                                                                                                                                                        |
| Tenant / Landlord Counseling                  | High                 | C                 | -             | CDBG, FHIP                 | HUD, AI  |                                                                                                                                                                        |
| Other: Mortgage / Utilities / Rent / Deposits | High                 | E                 | -             | CDBG, HOME                 | WHB      |                                                                                                                                                                        |
| Economic Development (General)                |                      |                   |               |                            |          |                                                                                                                                                                        |
| C/I Land Acquisition / Disposition            | Low                  | E                 | -             | CDBG, HOME                 | HNA      | Intended to benefit low-income households / areas only                                                                                                                 |
| C/I Infrastructure Development                | Low                  | E                 | -             | CDBG                       | HNA      |                                                                                                                                                                        |
| C/I Building Acq / Construction / Rehab       | Low                  | E                 | -             | CDBG, HOME                 | HNA      |                                                                                                                                                                        |
| Other C/I                                     | Low                  | E                 | -             | -                          | HNA      |                                                                                                                                                                        |
| ED Assistance to For-Profit                   | Low                  | E                 | -             | CDBG                       | HNA      |                                                                                                                                                                        |
| ED Technical Assistance                       | Low                  | E                 | -             | CDBG                       | HNA      |                                                                                                                                                                        |
| Micro-enterprise Assistance                   | Low                  | E                 | -             | CDBG                       | HNA      |                                                                                                                                                                        |

\*If a priority level is not identified, staff did not have resource data to substantiate the need and / or the activity has not been identified as a priority through the Consolidated Planning process.

\*\*Sources for Identifying Priority Need

|     |                                                                                          |                                                                                                                                                       |
|-----|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| NSP | Neighborhood Stabilization Plan, 2008, Community Development Division.                   | <a href="http://www.ci.billings.mt.us/DocumentView.aspx?DID=4163">http://www.ci.billings.mt.us/DocumentView.aspx?DID=4163</a>                         |
| CDD | Community Development Division - professional opinion from program management.           |                                                                                                                                                       |
| HNA | Housing Needs Assessment, 2009, Planning & Community Services Department.                | <a href="http://www.ci.billings.mt.us/DocumentView.aspx?DID=5454">http://www.ci.billings.mt.us/DocumentView.aspx?DID=5454</a>                         |
| WHB | Welcome Home Billings, 2009, Community Development Division.                             | <a href="http://mt-billings.civicplus.com/index.aspx?NID=1522">http://mt-billings.civicplus.com/index.aspx?NID=1522</a>                               |
| CNA | Community Needs Assessment, 2007, Human Resource Development Council - District 7.       | <a href="http://www.hrdc7.org/pdf/2007_needs_assessment/HRDC_2007_Needs.pdf">http://www.hrdc7.org/pdf/2007_needs_assessment/HRDC_2007_Needs.pdf</a>   |
| CS  | Citizen's Survey, 2009, The National Citizen Survey, National Research Center, Inc.      | <a href="http://www.ci.billings.mt.us/index.aspx?NID=1506">http://www.ci.billings.mt.us/index.aspx?NID=1506</a>                                       |
| HUD | HUD Study - Discrimination in Metropolitan Housing Markets: Phase 3, Native Americans    | <a href="http://www.huduser.org/portal/Publications/pdf/hds_phase3_final.pdf">http://www.huduser.org/portal/Publications/pdf/hds_phase3_final.pdf</a> |
| AI  | Analysis of Impediments to Fair Housing Choice, 2007, Montana State University-Billings. | <a href="http://www.ci.billings.mt.us/DocumentView.aspx?DID=1100">http://www.ci.billings.mt.us/DocumentView.aspx?DID=1100</a>                         |

## ***SECTION ELEVEN - Strategic Plan***

### *Combined Strategic Response for Consolidated Plan*

The following strategies are proposed by the City in its five-year Consolidated Plan to address Billings' housing and community development needs based on needs identified in the Housing Needs Assessment and Analysis of Impediments to Fair Housing Choice.

#### **Strategy A. Promote the preservation of the existing supply of safe, affordable housing in the community:**

- Provide direct, affordable financing and assistance to allow low and moderate-income homeowners to perform needed repairs to their homes.
  - Substantial housing rehabilitation for homeowner occupied, single-family units through the City's Housing Rehabilitation Program.
  - Emergency repairs and improvements to single-family and manufactured / mobile-home units through the City's Minor Home Repair program.
  - Provide lead-safe painting program for owner-occupied single-family and manufactured / mobile homes through the City's Painting Program.
- Provide affordable financing and assistance through partnerships to encourage developers and agencies to make needed repairs to existing housing stock for accessibility, safety and affordability, particularly for special needs populations.
  - Wheelchair and accessibility ramps for the disabled.
  - Rehabilitation for single and multi-family units serving special needs populations, including the homeless, the elderly and the disabled.

#### **Strategy B. Promote new affordable housing opportunities:**

- Encourage the development of new affordable single-family, multi-family, and special needs housing in the community through private developers and nonprofit organizations.
  - New construction and rehabilitation of housing units through the City's Affordable Housing Development Program.
  - Complete Kings Green Subdivision single-family development.
  - Support the efforts of the Housing Authority of Billings to increase and maintain the affordable housing stock in the community through the implementation of their five year plan.
  - Meet Community Housing Development Organization commitment and expenditure deadlines, as required by the HOME program.
- Providing affordable financing and support to increase access to homeownership and further homeownership opportunities.
  - Facilitate access to homeownership through the City's First Time Homebuyer Program.
  - Facilitate affordable financing through the use of the Montana Board of Housing mortgage program.

- Encourage homeowner education throughout the community and specifically for participants of the First Time Homebuyer Program.
- Support the efforts of the Billings Partners for American Indian Homeownership to increase homeownership opportunities for American Indians in Billings.

**Strategy C. Work as an active partner with nonprofits, neighborhood groups, and others to address housing and community development specific to lower income and special needs households:**

- Support partnerships and regular meetings to facilitate community participation and collaboration.
  - Provide staff support and facilitation for the following focus / community needs groups:
    - Affordable Housing Task Force.
    - Adjacent Neighborhood Committee.
    - Billings Partners for American Indian Homeownership.
  - Complete the Analysis of Impediments to Fair Housing Choice by December 2013 to implement activities for 2014-2019.
- Support task force newsletters and further capacity-building for self-sustainability.
- Encourage activities that promote fair housing and increase awareness of the rights of protected classes.
  - Continue to support organizations with an interest in fair housing in applying for the Fair Housing Initiatives Program grant and facilitate the application if necessary to ensure an application is submitted to HUD annually on behalf of the citizens of Billings.
- Encourage housing, community development organizations, social service agencies and businesses to work together to build strong community structures to better address needs and to respond to opportunities.
  - Provide staff support and facilitation for the Mayor’s Committee on Homelessness.
  - Assist in the implementation of Welcome Home Billings, the City’s ten-year plan to impact homelessness.

**Strategy D. Promote the preservation and revitalization of the community’s older neighborhoods:**

- Preserve the housing stock in older lower income neighborhoods.
- Encourage infill development of vacant lots and redevelopment of substandard properties in lower income neighborhoods:
  - Provide financing through the Affordable Housing Development Program.
  - Promote the redevelopment of the 27<sup>th</sup> Street Corridor for remaining properties purchased through the CDBG and Tax Increment District programs.
  - Support activities that provide amenities, neighborhood stabilization and maintain infrastructure needs of older lower income neighborhoods.

**Strategy E. Provide assistance to agencies serving lower income households and special needs populations, particularly the homeless, public service activity funding to assist the homeless, the elderly, and those with disabilities.**

- Provide CDBG Public Service funding to nonprofit organizations to provide basic needs assistance, job training and employment opportunities.
  - Provide CDBG Public Service funding allocation for basic needs assistance and supportive services.

*Table 2C: Summary of Specific Housing / Community Development Objectives*

Information contained in this table includes the following categories: rental housing, owner housing, community development, infrastructure, public facilities, public services, economic development and neighborhood revitalization. This table is also referred to as a “Transition Table, 2A / 2B Continuation Sheet.” For these categories, the following must be identified:

- Sources of Funds - see Table 2B (page 74) and Tables 3C (Annual Action Plan Appendix)
- Performance Indicators - See Goals for the Consolidated Plan (page 79) and Tables 3C (Annual Action Plan Appendix)
- Expected Number - See Goals for the Consolidated Plan (page 79) and Tables 3C (Annual Action Plan Appendix)
- Actual Number - this will be reported on CAPER
- Objective / Outcome - See Table 2B (page 74) and Tables 3C (Annual Action Plan Appendix)

The goals for the consolidated plan identify strategies, activities (of which all of the categories are included / addressed), measurement type and five-year goals which meets many of the identified factors above. Tables 3C also identify the above.

## GOALS FOR FIVE-YEAR CONSOLIDATED PLAN

*Table 2C - Modified*

July 1, 2010 through June 30, 2015 Goals

| Strategy                                                                                         | Objective                                                                                                                                                                  | Activity                                                         | Measurement Type           | Five-Year Goals | Objectives / Outcomes* | Funding Source |   |
|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------|-----------------|------------------------|----------------|---|
| A: Promote the preservation of the existing supply of safe, affordable housing in the community. | Provide direct, affordable financing and assistance to low-income homeowners for the completion of needed repairs.                                                         | Housing Rehabilitation Loan Program                              | Housing Units              | 50              | SL-2                   | CDBG           |   |
|                                                                                                  |                                                                                                                                                                            | Minor Home Repair Program                                        | Housing Units              | 100             | SL-2                   | CDBG           |   |
|                                                                                                  |                                                                                                                                                                            | Painting Program                                                 | Housing Units              | 10              | SL-2                   | CDBG           |   |
|                                                                                                  | Provide financing and assistance through partnerships to facilitate needed repairs for special needs populations.                                                          | Wheelchair and accessibility ramps                               | Ramps - Housing Units      | 30              | DH-1                   | CDBG           |   |
|                                                                                                  |                                                                                                                                                                            | Rehabilitation for special needs populations                     | Housing Units              | 15              | DH-2                   | CDBG           |   |
|                                                                                                  | Benchmark Performance Measures                                                                                                                                             | # units rehabilitated through City programs:                     |                            |                 |                        | -              | - |
|                                                                                                  |                                                                                                                                                                            | # units rehabilitated through partnership programs:              |                            |                 |                        | -              | - |
|                                                                                                  |                                                                                                                                                                            | % of total funding allocated to enhance existing housing:        |                            |                 |                        | -              | - |
|                                                                                                  |                                                                                                                                                                            | # units resulting in energy-efficiency improvements:             |                            |                 |                        | -              | - |
|                                                                                                  |                                                                                                                                                                            | # of units resulting in ADA improvements:                        |                            |                 |                        | -              | - |
| B: Promote new affordable housing opportunities.                                                 | Encourage the development of new affordable single-family, multi-family and special needs housing in the community through private developers and nonprofit organizations. | Affordable Housing Development Program                           | Housing Units              | 100             | SL-2                   | CDBG/HOME      |   |
|                                                                                                  |                                                                                                                                                                            | Complete Kings Green single-family development                   | Housing Units              | 17              | SL-2                   | HOME           |   |
|                                                                                                  |                                                                                                                                                                            | Support the efforts of the Housing Authority of Billings         | Five-Year Plan Implemented | 1               | DH-2                   | ADMIN          |   |
|                                                                                                  |                                                                                                                                                                            | Meet CHDO commitment / expenditure deadlines                     | Years in compliance        | 5               | SL-2                   | HOME           |   |
|                                                                                                  | Provide affordable financing and support to promote homeownership opportunities.                                                                                           | First Time Homebuyer Program                                     | Households                 | 175             | SL-2                   | CDBG/HOME      |   |
|                                                                                                  |                                                                                                                                                                            |                                                                  | Cumulative Households      | -               | -                      | -              |   |
|                                                                                                  |                                                                                                                                                                            | First Time Homebuyers - MBOH Set-Aside Use                       | Households                 | 35              | DH-2                   | -              |   |
|                                                                                                  |                                                                                                                                                                            |                                                                  | Leveraged Funding          | \$4M            | -                      | -              |   |
|                                                                                                  |                                                                                                                                                                            | Homebuyer Education                                              | Households                 | 1,000           | EO-3                   | CDBG/HOME      |   |
|                                                                                                  | Billings Partners American Indian Homeownership                                                                                                                            | Homeownership Rate (1992 benchmark: 22%)                         | 40%                        | EO-1            | ADMIN                  |                |   |
|                                                                                                  | Benchmark Performance Measures                                                                                                                                             | % of total funding allocated to promote new housing opportunity: |                            |                 |                        | -              | - |

| Strategy                                                                                                                                                                   | Objective                                                                                                      | Activity                                                                                                                  | Measurement Type                                                       | Five-Year Goals | Objectives / Outcomes* | Funding Source |   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------|------------------------|----------------|---|
| C: Active partnerships with nonprofits, neighborhood groups and others to address housing and community development specific to lower income and special needs households. | Support partnerships and regular meetings to facilitate community participation and collaboration.             | Affordable Housing Task Force                                                                                             | Monthly Meetings                                                       | 50              | DH-2                   | ADMIN          |   |
|                                                                                                                                                                            |                                                                                                                | Adjacent Neighborhood Committee                                                                                           | Quarterly Meetings                                                     | 20              | SL-1                   | ADMIN          |   |
|                                                                                                                                                                            |                                                                                                                | Billings Partners American Indian Homeownership                                                                           | Monthly Meetings                                                       | 50              | EO-1                   | ADMIN          |   |
|                                                                                                                                                                            |                                                                                                                | Analysis of Impediments to Fair Housing Choice completed in December 2013 to implement activities for 2014-2019           | Analysis / Plan completed                                              | 1               | SL-1                   | ADMIN          |   |
|                                                                                                                                                                            | Support task force newsletters and further capacity-building for self-sustainability.                          | Task Force newsletter support                                                                                             | Newsletters                                                            | 50,000          | SL-1                   | ADMIN          |   |
|                                                                                                                                                                            | Encourage activities that promote fair housing and increase awareness of the rights of protected classes.      | Continue to support organizations with an interest in fair housing to apply for FHIP, facilitate application if necessary | Annual submission of FHIP grant representing residents of Billings     | 5               | SL-1                   | ADMIN          |   |
|                                                                                                                                                                            | Encourage collaboration to better address needs and to respond to opportunities for special needs populations. | Mayor's Committee on Homelessness                                                                                         | Monthly Meetings                                                       | 50              | EO-3                   | ADMIN          |   |
|                                                                                                                                                                            |                                                                                                                | Assist in the implementation of Welcome Home Billings, the City's ten-year plan to impact homelessness                    | Completed FY09-11 & FY11-13 Action Plans                               | 2               | SL-1                   | ADMIN          |   |
|                                                                                                                                                                            |                                                                                                                |                                                                                                                           | Completed FY09-11 & FY11-13 Performance Reports                        | 2               | SL-3                   | ADMIN          |   |
|                                                                                                                                                                            |                                                                                                                | Facilitate AmeriCorps*VISTA application and pursue project status                                                         | Annual submission of VISTA grant application / VISTA member placements | 5               | EO-1                   | ADMIN          |   |
|                                                                                                                                                                            | Benchmark Performance Measures                                                                                 | % of total funding allocated to support partnerships:                                                                     |                                                                        |                 |                        | -              | - |
|                                                                                                                                                                            |                                                                                                                | % of total funding (or \$ amount) to support fair housing initiatives:                                                    |                                                                        |                 |                        | -              | - |
|                                                                                                                                                                            |                                                                                                                | # fair housing complaints referred to HUD (track only if FHIP award is granted):                                          |                                                                        |                 |                        | -              | - |
|                                                                                                                                                                            | D: Promote the preservation and revitalization of the community's older neighborhoods.                         | Preserve housing stock in older, lower-income neighborhoods.                                                              | See objectives / activities / goals outlined in Strategy A             |                 |                        | SL-1           | - |
| Infill development of vacant lots and redevelopment of substandard properties.                                                                                             |                                                                                                                | Affordable Housing Development Program                                                                                    | See goals for Strategy B                                               |                 | SL-3                   | CDBG/HOME      |   |
|                                                                                                                                                                            |                                                                                                                | Redevelopment 27th Street Corridor                                                                                        | Redevelopment Projects                                                 | 1               | SL-3                   | ADMIN          |   |
| Support activities that provide amenities, neighborhood stabilization and maintain infrastructure needs.                                                                   |                                                                                                                | Tree Program                                                                                                              | Individuals                                                            | 50              | SL-3                   | CDBG           |   |
|                                                                                                                                                                            |                                                                                                                | Neighborhood improvements through the Capital Improvement Plan (CIP)                                                      | CIP Years Implemented                                                  | 5               | SL-3                   | -              |   |
|                                                                                                                                                                            |                                                                                                                | Special Assessment Grants                                                                                                 | Housing Units                                                          | 20              | SL-2                   | CDBG           |   |
| Benchmark Performance Measures                                                                                                                                             |                                                                                                                | % of total funding allocated to preserving older neighborhoods:                                                           |                                                                        |                 |                        | -              | - |

| Strategy                                                                                                                                                              | Objective                                                                                                                                                                                          | Activity                                                                                                 | Measurement Type        | Five-Year Goals | Objectives / Outcomes* | Funding Source |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------|-----------------|------------------------|----------------|
| E: Provide assistance to agencies serving lower income and special needs populations, particularly the homeless, the elderly, minorities and those with disabilities. | Provide CDBG Public Service funding and HOME Tenant-Based Rental Assistance (TBRA) for deposits to nonprofit organizations and provide assistance for supportive services, including job creation. | CDBG Public Service and HOME TBRA funding allocations for basic needs assistance and supportive services | Years Funding Committed | 5               | EO-1                   | CDBG/HOME      |
|                                                                                                                                                                       |                                                                                                                                                                                                    |                                                                                                          | Organizations           | 20              | EO-3                   | CDBG/HOME      |
|                                                                                                                                                                       | Benchmark Performance Measures                                                                                                                                                                     | % of total funding to support basic needs of special and lower-income populations:                       |                         |                 | -                      | -              |
| Overall Benchmark Performance Measures                                                                                                                                | Total Budget Allocated                                                                                                                                                                             |                                                                                                          |                         | -               | -                      | -              |
|                                                                                                                                                                       | Leveraging Ratio                                                                                                                                                                                   |                                                                                                          |                         | -               | -                      | -              |
|                                                                                                                                                                       | CDBG Timeliness Compliance                                                                                                                                                                         |                                                                                                          |                         | < 1.5           | -                      | -              |
|                                                                                                                                                                       | # active CHDOs                                                                                                                                                                                     |                                                                                                          |                         | -               | -                      | -              |
|                                                                                                                                                                       | # of faith-based organizations funded                                                                                                                                                              |                                                                                                          |                         | -               | -                      | -              |
|                                                                                                                                                                       | Cumulative \$ of HOME funding used for homebuyer activities as of June 30 of each year                                                                                                             |                                                                                                          |                         | -               | -                      | -              |
|                                                                                                                                                                       | % of previous year's HOME funding committed (for FY10-11, measure FY09-10), as of June 30                                                                                                          |                                                                                                          |                         | -               | -                      | -              |
|                                                                                                                                                                       | % of HOME CHDO funding reserved, two years ago (for FY10-11, measure FY08-09), as of June 30                                                                                                       |                                                                                                          |                         | -               | -                      | -              |
|                                                                                                                                                                       | % of completed HOME rental disbursements to all rental commitments , benchmark subject to HUD adjustment                                                                                           |                                                                                                          |                         | > 72.37%        | -                      | -              |
|                                                                                                                                                                       | % of completed CHDO disbursements to all CHDO reservations, benchmark subject to HUD adjustment                                                                                                    |                                                                                                          |                         | > 49.28%        | -                      | -              |
|                                                                                                                                                                       | % of renters below 50% of the area median income                                                                                                                                                   |                                                                                                          |                         | > 70%           | -                      | -              |
|                                                                                                                                                                       | <i>Note: 90% of rental and TBRA units must assist households less than 60% of the area median income</i>                                                                                           |                                                                                                          |                         | -               | -                      | -              |
|                                                                                                                                                                       | % of occupied HOME rental units to all rental units, benchmark subject to HUD adjustment                                                                                                           |                                                                                                          |                         | > 90.81%        | -                      | -              |
|                                                                                                                                                                       | Allocation years not distributed for HOME, benchmark subject to HUD adjustment                                                                                                                     |                                                                                                          |                         | < 3.07%         | -                      | -              |
| # of minority, disabled, elderly and female-headed households / individuals served                                                                                    |                                                                                                                                                                                                    |                                                                                                          | -                       | -               | -                      |                |

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

*Table 1C: Consolidated Plan Activities by HUD Objective / Outcome*

This chart (following page) requests the relation of specific objectives to HUD’s Outcomes / Objectives matrix and is named, “Transition Table - Summary of Specific Housing / Community Development Objectives (Table 1A/1B Continuation). This information has been provided in the Goals for the Five-Year Consolidated Plan. The chart only illustrates objectives that are specifically entered into IDIS for an activity. Goals related to capacity-building for nonprofit organizations and administrative support tasks such as newsletter distribution for low-income neighborhood task forces do not relate well to the established HUD Outcomes / Objectives matrix and are also identified in the table as “Admin.”

**CONSOLIDATED PLAN ACTIVITIES BY HUD OBJECTIVE / OUTCOME: *Table 1C***

| <b>Objective</b>                                                                                                                                                           | <b>Activity</b>                                                                                                           | <b>Measurement Type</b>                                            | <b>Five-Year Goals</b> | <b>HUD Objectives / Outcomes</b> | <b>Admin</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------|----------------------------------|--------------|
| <b>DECENT HOUSING &amp; AVAILABILITY / ACCESSIBILITY</b>                                                                                                                   |                                                                                                                           |                                                                    |                        |                                  |              |
| Provide financing and assistance through partnerships to facilitate needed repairs for special needs populations.                                                          | Wheelchair and accessibility ramps                                                                                        | Ramps - Housing Units                                              | <b>30</b>              | DH-1                             | -            |
| <b>DECENT HOUSING &amp; AFFORDABILITY</b>                                                                                                                                  |                                                                                                                           |                                                                    |                        |                                  |              |
| Provide financing and assistance through partnerships to facilitate needed repairs for special needs populations.                                                          | Rehabilitation for special needs populations                                                                              | Housing Units                                                      | <b>15</b>              | DH-2                             | -            |
| Encourage the development of new affordable single-family, multi-family and special needs housing in the community through private developers and nonprofit organizations. | Support the efforts of the Housing Authority of Billings                                                                  | Five-Year Plan Implemented                                         | <b>1</b>               | DH-2                             | Admin        |
| Provide affordable financing and support to promote homeownership opportunities.                                                                                           | First Time Homebuyers - MBOH Set-Aside Use                                                                                | Households                                                         | <b>35</b>              | DH-2                             | -            |
| Support partnerships and regular meetings to facilitate community participation and collaboration.                                                                         | Affordable Housing Task Force                                                                                             | Monthly Meetings                                                   | <b>50</b>              | DH-2                             | Admin        |
| <b>SUITABLE LIVING ENVIRONMENT &amp; AVAILABILITY / ACCESSIBILITY</b>                                                                                                      |                                                                                                                           |                                                                    |                        |                                  |              |
| Support partnerships and regular meetings to facilitate community participation and collaboration.                                                                         | Adjacent Neighborhood Committee                                                                                           | Quarterly Meetings                                                 | <b>20</b>              | SL-1                             | Admin        |
| Support partnerships and regular meetings to facilitate community participation and collaboration.                                                                         | Analysis of Impediments to Fair Housing Choice completed in December 2013 to implement activities for 2014-2019           | Analysis / Plan completed                                          | <b>1</b>               | SL-1                             | Admin        |
| Support task force newsletters and further capacity-building for self-sustainability.                                                                                      | Task Force newsletter support                                                                                             | Newsletters                                                        | <b>50,000</b>          | SL-1                             | Admin        |
| Encourage activities that promote fair housing and increase awareness of the rights of protected classes.                                                                  | Continue to support organizations with an interest in fair housing to apply for FHIP, facilitate application if necessary | Annual submission of FHIP grant representing residents of Billings | <b>5</b>               | SL-1                             | Admin        |
| Encourage collaboration to better address needs and to respond to opportunities for special needs populations.                                                             | Assist in the implementation of Welcome Home Billings, the City's ten-year plan to impact homelessness.                   | Completed FY09-11 & FY11-13 Action Plans                           | <b>2</b>               | SL-1                             | Admin        |
| Preserve housing stock in older, lower-income neighborhoods.                                                                                                               | See objectives / activities / Goals outlined in Strategy A                                                                | See objectives / activities / Goals outlined in Strategy A         | -                      | SL-1                             | -            |
| <b>SUITABLE LIVING ENVIRONMENT &amp; AFFORDABILITY</b>                                                                                                                     |                                                                                                                           |                                                                    |                        |                                  |              |
| Provide direct, affordable financing and assistance to low-income homeowners for the completion of needed repairs.                                                         | Housing Rehabilitation Loan Program                                                                                       | Housing Units                                                      | <b>50</b>              | SL-2                             | -            |
|                                                                                                                                                                            | Minor Home Repair Program                                                                                                 | Housing Units                                                      | <b>100</b>             | SL-2                             | -            |
|                                                                                                                                                                            | Painting Program                                                                                                          | Housing Units                                                      | <b>10</b>              | SL-2                             | -            |
| Encourage the development of new affordable single-family, multi-family and special needs housing in the community through private developers and nonprofit organizations. | Affordable Housing Development Program                                                                                    | Housing Units                                                      | <b>100</b>             | SL-2                             | -            |

| <i>Objective</i>                                                                                                                                                           | <i>Activity</i>                                                                                          | <i>Measurement Type</i>                                                | <i>Five-Year Goals</i> | <i>HUD Objectives / Outcomes</i> | <i>Admin</i> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------|----------------------------------|--------------|
| Encourage the development of new affordable single-family, multi-family and special needs housing in the community through private developers and nonprofit organizations. | Complete Kings Green single-family development                                                           | Housing Units                                                          | <b>17</b>              | SL-2                             | -            |
| Encourage the development of new affordable single-family, multi-family and special needs housing in the community through private developers and nonprofit organizations. | Meet CHDO commitment / expenditure deadlines                                                             | Years in compliance                                                    | <b>5</b>               | SL-2                             | -            |
| Provide affordable financing and support to promote homeownership opportunities.                                                                                           | First Time Homebuyer Program                                                                             | Households                                                             | <b>175</b>             | SL-2                             | -            |
| Support activities that provide amenities, neighborhood stabilization and maintain infrastructure needs.                                                                   | Special Assessment Grants                                                                                | Housing Units                                                          | <b>20</b>              | SL-2                             | -            |
| <b>SUITABLE LIVING ENVIRONMENT &amp; SUSTAINABILITY</b>                                                                                                                    |                                                                                                          |                                                                        |                        |                                  |              |
| Encourage collaboration to better address needs and to respond to opportunities for special needs populations.                                                             | Assist in the implementation of Welcome Home Billings, the City's ten-year plan to impact homelessness.  | Completed FY09-11 & FY11-13 Performance Reports                        | <b>2</b>               | SL-3                             | Admin        |
| Infill development of vacant lots and redevelopment of substandard properties.                                                                                             | Affordable Housing Development Program                                                                   | See goals for Strategy B                                               | -                      | SL-3                             | -            |
|                                                                                                                                                                            | Redevelopment 27th Street Corridor                                                                       | Redevelopment Projects                                                 | <b>1</b>               | SL-3                             | -            |
| Support activities that provide amenities, neighborhood stabilization and maintain infrastructure needs.                                                                   | Tree Program                                                                                             | Individuals                                                            | <b>50</b>              | SL-3                             | -            |
|                                                                                                                                                                            | Neighborhood improvements through the Capital Improvement Plan                                           | CIP Years Implemented                                                  | <b>5</b>               | SL-3                             | -            |
| <b>ECONOMIC OPPORTUNITY &amp; AVAILABILITY / ACCESSIBILITY</b>                                                                                                             |                                                                                                          |                                                                        |                        |                                  |              |
| Provide affordable financing and support to promote homeownership opportunities.                                                                                           | Billings Partners American Indian Homeownership                                                          | Homeownership Rate (1992 benchmark: 22%)                               | <b>40%</b>             | EO-1                             | Admin        |
| Support partnerships and regular meetings to facilitate community participation and collaboration.                                                                         | Billings Partners American Indian Homeownership                                                          | Monthly Meetings                                                       | <b>50</b>              | EO-1                             | Admin        |
| Encourage collaboration to better address needs and to respond to opportunities for special needs populations.                                                             | Facilitate AmeriCorps*VISTA application and pursue project status                                        | Annual submission of VISTA grant application / VISTA member placements | <b>5</b>               | EO-1                             | Admin        |
| Provide CDBG Public Service funding and HOME Tenant-Based Rental Assistance (TBRA) for deposits to nonprofit organizations.                                                | CDBG Public Service and HOME TBRA funding allocations for basic needs assistance and supportive services | Years Funding Committed                                                | <b>5</b>               | EO-1                             | -            |

| <i>Objective</i>                                                                                                            | <i>Activity</i>                                                                                          | <i>Measurement Type</i> | <i>Five-Year Goals</i> | <i>HUD Objectives / Outcomes</i> | <i>Admin</i> |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------|------------------------|----------------------------------|--------------|
| <b><i>ECONOMIC OPPORTUNITY &amp; SUSTAINABILITY</i></b>                                                                     |                                                                                                          |                         |                        |                                  |              |
| Provide affordable financing and support to promote homeownership opportunities.                                            | Homebuyer Education                                                                                      | Households              | <b>1,000</b>           | EO-3                             | -            |
| Encourage collaboration to better address needs and to respond to opportunities for special needs populations.              | Mayor's Committee on Homelessness                                                                        | Monthly Meetings        | <b>50</b>              | EO-3                             | Admin        |
| Provide CDBG Public Service funding and HOME Tenant-Based Rental Assistance (TBRA) for deposits to nonprofit organizations. | CDBG Public Service and HOME TBRA funding allocations for basic needs assistance and supportive services | Organizations           | <b>20</b>              | EO-3                             | -            |

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

*Table 3A: Summary of Specific Annual Objectives*

Please see the Annual Action Plan and CAPER for this information.

*Table 3B: Annual Affordable Housing Completion Goals*

This information will be provided in the Annual Action Plan and CAPER. Expected annual number of housing units and funding source is currently identified in Goals for the Consolidated Plan (page 79) and Tables 3C.

*Tables 3C: Consolidated Plan Listing of Projects*

See the Annual Action Plan Appendix for a complete set of Tables 3C.

*Table 4: Priority Public Housing Needs*

Please contact the Housing Authority of Billings for this information.

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

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<sup>i</sup> [http://www.huduser.org/portal/Publications/pdf/hds\\_phase3\\_final.pdf](http://www.huduser.org/portal/Publications/pdf/hds_phase3_final.pdf)

<sup>ii</sup> Kemmick, E. Fighting Homelessness: Montana group picks Billings for pilot project. *Billings Gazette*. November 29, 2005. Available at: <http://billingsgazette.net/articles/2005/11/29/local/export235431.txt>. Accessed May 21, 2008.

<sup>iii</sup> Survey of the Homeless Results. Montana Continuum of Care; 2005. Available at: <http://nth-degree.com/mthomeless/index2.html>. Accessed August 18, 2009.

Survey of the Homeless Results. Montana Continuum of Care; 2006. Available at: <http://nth-degree.com/mthomeless/svg06.html>. Accessed August 18, 2009.

Survey of the Homeless Results. Montana Continuum of Care; 2007. Available at: <http://nth-degree.com/mthomeless/svg07.html>. Accessed August 18, 2009.

Survey of the Homeless Results. Montana Continuum of Care; 2008. Available at: <http://mthomeless.org/2008/hud/index-2008-hud.html>. Accessed August 18, 2009.

<sup>iv</sup> Billings Homeless Point-In-Time Survey Addendum. Community Development Division; October 9, 2007. Available at: <http://mt-billings.civicplus.com/DocumentView.aspx?DID=1119>. Accessed August 18, 2009.

<sup>v</sup> See page 25 of Welcome Home Billings for explanation of estimated cost.

<sup>vi</sup> Homeless in Montana; a report. Department of Public Health and Human Services, Intergovernmental Human Services Bureau; 2004: 9. Available at: <http://www.dphhs.mt.gov/homelessinmontana.pdf>. Accessed August 19, 2009.

<sup>vii</sup> Runkle, Sue. Homeless Education. Billings Public Schools; 2007.

<sup>viii</sup> O'Connell JJ. *Premature Mortality in Homeless Populations: A Review of the Literature*, Nashville: National Health Care for the Homeless Council, Inc. 2005: 13. Available at: <http://www.nhchc.org/PrematureMortalityFinal.pdf>. Accessed August 18, 2009.

<sup>ix</sup> Barrow, S.M.; Herman, D.B.; Cordova, P.; Struening, E.L. Mortality Among Homeless Shelter Residents in New York City. *American Journal of Public Health*. 89(4): 529-534, 1999.

<sup>x</sup> Cheung, Angela M; Hwang, Stephen. Risk of death among homeless women: a cohort study and review of the literature. Women's Health Program, University Health Network, Inner City Health Research Unit, St. Michael's Hospital, Department of Medicine, University of Toronto, Ontario; 2004.

<sup>xi</sup> Survey of the Homeless Results. Montana Continuum of Care; 2005. Available at: <http://nth-degree.com/mthomeless/index2.html>. Accessed August 18, 2009.

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Survey of the Homeless Results. Montana Continuum of Care; 2008. Available at: <http://mthomeless.org/2008/hud/index-2008-hud.html>. Accessed August 18, 2009.

\*\*\*\*\* AFFIDAVIT OF PUBLICATION \*\*\*\*\*

The BILLINGS GAZETTE

401 N. 28th

Billings, MT 59101

Phone: (406) 657-1212

Fax: (406) 657-1345

Ad Number: 3965082

Public Housing

The Housing Authority of Billings is holding a public hearing on its' Annual Plan submission to the Office of Public Housing HUD at the Housing Authority offices at 2415 first Ave. North, Billings, Montana, 59101. The residents of the Housing Authority of Billings and the general public are invited for input to the staff at 10:00 a.m., April 4, 2011. A draft copy of the plan(s) will be on file at the Housing Authority Offices. The Housing Authority of Billings is an Equal Opportunity, Fair Housing provider.



February 20, 2011

Tammy Haar, being first duly sworn, deposes and says: That she is the principal clerk of The Billings Gazette, a newspaper of general circulation published daily in the City of Billings, in the County of Yellowstone, State of Montana, and has charge of the Advertisements thereof.

That the: (1) Lines legal regarding:

Public Housing - rerun

a true copy of which is hereto annexed, was published in said newspaper on the following dates: via:

2/20/11

Making all | publication(s)

Mark below if certification for the State of Montana.

I hereby certify that I have read sec. 18-7-204 and 18-7-205, MCA, and subsequent revisions, and declare that the price or rate charged the State of Montana for the publication for which claim is made in the attached papers in the amount of \$ 53.12 is not in excess of the minimum rate charged any other advertiser for publication of advertisement, set in the same size type and published for the same number of insertions. I further certify that this claim is correct and just in all respects, and that payment or credit has not been received.

Tammy Haar

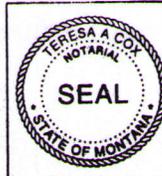
STATE OF MONTANA  
County of Yellowstone

On this day of Feb 21, 2011, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Tammy Haar, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed same. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year first above written.

Teresa A Cox

NOTARY PUBLIC for the State of Montana  
Residing at Billings, MT

My commission expires: 8/31/2013



TERESA A COX  
NOTARY PUBLIC for the  
State of Montana  
Residing at Billings, Montana  
My Commission Expires  
August 31, 2013

\*\*\*\*\* AFFIDAVIT OF PUBLICATION \*\*\*\*\*

The BILLINGS GAZETTE

401 N. 28th  
Billings, MT 59101  
Phone: (406) 657-1212 Fax: (406) 657-1345

Ad Number: 3964598

Public Housing

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February 18, 2011

Tammy Haar, being first duly sworn, deposes and says: That she is the principal clerk of The Billings Gazette, a newspaper of general circulation published daily in the City of Billings, in the County of Yellowstone, State of Montana, and has charge of the Advertisements thereof.

That the: 17 Line legal regarding:

Public Housing

a true copy of which is hereto annexed, was published in said newspaper on the following dates: via:

2/18/11

Making all 1 publication(s)

Mark below if certification for the State of Montana.

I hereby certify that I have read sec. 18-7-204 and 18-7-205, MCA, and subsequent revisions, and declare that the price or rate charged the State of Montana for the publication for which claim is made in the attached papers in the amount of \$ 53.12 is not in excess of the minimum rate charged any other advertiser for publication of advertisement, set in the same size type and published for the same number of insertions. I further certify that this claim is correct and just in all respects, and that payment or credit has not been received.

Tammy Haar

STATE OF MONTANA  
County of Yellowstone

On this day of Feb 18, 2011, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Tammy Haar, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed same. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year first above written.

Teresa A Cox

NOTARY PUBLIC for the State of Montana  
Residing at Billings, MT

My commission expires: 8/31/2013



TERESA A COX  
NOTARY PUBLIC for the  
State of Montana  
Residing at Billings, Montana  
My Commission Expires  
August 31, 2013



Financial Statements  
June 30, 2010 and 2009

# Housing Authority of Billings, Montana

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Section I – Financial Section  
June 30, 2010 and 2009

# Housing Authority of Billings, Montana



CPAs & BUSINESS ADVISORS

## Independent Auditor's Report

Board of Commissioners  
Housing Authority of Billings, Montana  
Billings, Montana

Denver Regional Office  
Office of Public Housing  
Denver, Colorado

We have audited the accompanying balance sheets of Housing Authority of Billings, Montana as of June 30, 2010 and 2009, and the related statements of revenues, expenses and change in net assets, and cash flows for the years then ended. These financial statements are the responsibility of Housing Authority of Billings, Montana. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of Billings, Montana as of June 30, 2010 and 2009, and changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2009, on our consideration of the Housing Authority of Billings, Montana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis as found in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority of Billings, Montana's basic financial statements. The financial statements by program and financial data schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements of the Housing Authority of Billings, Montana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Eide Sully LLP*

Billings, Montana  
December 6, 2010

This discussion and analysis of the Housing Authority of Billings, Montana (Housing Authority) provides a narrative overview and analysis of the financial activity of the Housing Authority for the year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with the Housing Authority's basic financial statements.

### **Financial Highlights**

- Net assets of the Housing Authority increased \$2,549,975 in the fiscal year ending June 30, 2010.
- Operating revenue of the Housing Authority increased \$1,253,234 over the prior year primarily due to increases of \$429,869 in housing assistance receipts in the HUD Section 8 Housing Choice Voucher Program and the new VASH Voucher Program, \$653,394 in Public Housing Capital Fund revenue and \$41,213 in housing assistance receipts in the Shelter Plus Care program. The operating subsidy from HUD for the Low Rent Public Housing Program increased \$55,507 while dwelling rental income in all programs increased \$65,335. Revenues in other programs increased \$7,916. Operating expenses decreased by 4% over the prior year. Interest and investment income decreased \$156,985.
- The Housing Authority had intergovernmental revenues consisting of HUD Low Rent Public Housing Operating Funds of \$750,091, HUD Capital Fund Program Grants of \$1,052,414, HUD Section 8 Housing Choice Voucher Program Grants of \$3,182,732, Montana State Department of Commerce Section 8 Program administrative fees of \$173,970, HUD Section 8 New Construction Grants for Pleasantview Apartments of \$373,909, and HUD Shelter Plus Care Program Grants of \$95,617. The City of Billings, Montana made grants of \$11,659 to the Low Rent Public Housing Program for tenant services and \$244,690 to the Westchester and Whitetail Square developments. The Montana State Department of Commerce Board of Housing made a grant of \$1,715,273 for construction of the Whitetail Run project.

### **Overview of the Financial Statements**

The financial statements consist of three parts—management's discussion and analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include a balance sheet, statements of revenues, expenses and changes in net assets, and statements of cash flows. Since the Housing Authority has only enterprise funds, the entity-wide and the fund presentation information is the same.

- The basic financial statements consist of fund financial statements of the Housing Authority's major and non-major enterprise funds, which operating similar to business activities and for which the Housing Authority follows an accrual basis of accounting.
- The basic financial statements also include a "Notes to the Financial Statements" section that explains some of the information in the fund financial statements and provides more detailed data.
- The Notes to the Financial Statements are followed by a "Supplementary Information" section, which presents the financial data schedule of the Housing Authority required by the U.S. Dept. of Housing and Urban Development (HUD).

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of these statements.

**Basic Financial Statements**

The basic financial statements provide detailed information about the Housing Authority's most significant funds. The Housing Authority has one kind of fund:

- Enterprise funds-The Housing Authority's activities are in its enterprise funds, activities that are accounted for in a manner similar to businesses operating in the public sector. Funding has primarily come from HUD grant income. The net assets of these funds represent accumulated earnings since their inception and are generally restricted for program purposes.

**Financial Analysis of the Housing Authority**

The following is management's representation of how the Housing Authority performed during the fiscal year ended June 30, 2010.

|                                         | <u>2010</u>         | <u>2009</u>         | <u>Net Change</u>  |
|-----------------------------------------|---------------------|---------------------|--------------------|
| <b>Assets:</b>                          |                     |                     |                    |
| Current and other assets                | \$9,147,420         | \$9,459,697         | -\$312,277         |
| Capital assets                          | <u>16,260,506</u>   | <u>13,554,213</u>   | <u>2,706,293</u>   |
| Total Assets                            | 25,407,926          | 23,013,910          | 2,394,016          |
| <b>Liabilities:</b>                     |                     |                     |                    |
| Long-term liabilities                   | 46,883              | 53,881              | -6,998             |
| Other liabilities                       | <u>469,529</u>      | <u>618,490</u>      | <u>-148,961</u>    |
| Total Liabilities                       | 516,412             | 672,371             | -155,959           |
| <b>Net Assets:</b>                      |                     |                     |                    |
| Invested in capital assets              | 16,207,596          | 13,494,305          | 2,713,291          |
| Restricted                              | 332,057             | 272,180             | 59,877             |
| Unrestricted                            | <u>8,351,861</u>    | <u>8,575,054</u>    | <u>-223,193</u>    |
| Total net assets                        | <u>24,891,514</u>   | <u>22,341,539</u>   | <u>2,549,975</u>   |
| <b>Total liabilities and net assets</b> | <u>\$25,407,926</u> | <u>\$23,013,910</u> | <u>\$2,394,016</u> |

- Cash and investments decreased by \$547,751 in 2010. This decrease resulted primarily from investments in property and equipment totaling \$3,643,925 offset by \$1,234,579 in cash from operating activities, \$1,799,249 in grants and non-operating receipts and investment income of \$62,346.
- In 2010, the Housing Authority began construction of Whitetail Run, a 32 unit housing development for low income individuals. The project is estimated to cost \$4,497,000 at completion in 2011. The Montana Board of Housing has awarded a grant of \$2,658,000 to assist in paying for the project and \$1,715,273 was received in 2010. This project is the first phase of the development of Whitetail Square.
- Restricted Net Assets represent funds restricted for use as housing assistance payments under the Housing Choice Voucher program. A corresponding amount of restricted cash is included in the investments balance.
- The following table summarizes the changes in revenues and expenses between the years ended June 30, 2010 and 2009.

Housing Authority of Billings, Montana  
Management's Discussion and Analysis  
Year Ended June 30, 2010

|                             | <u>2010</u>            | <u>2009</u>           | <u>Net Change</u>      |
|-----------------------------|------------------------|-----------------------|------------------------|
| Operating Revenue           |                        |                       |                        |
| Dwelling rental             | \$1,042,578            | \$977,243             | \$65,335               |
| Administration fees         | 173,970                | 161,162               | 12,808                 |
| Government operating grant  | 1,802,505              | 1,093,604             | 708,901                |
| Housing assistance program  | <u>3,652,258</u>       | <u>3,186,068</u>      | <u>466,190</u>         |
| <br>Total operating revenue | <br><u>6,671,311</u>   | <br><u>5,418,077</u>  | <br><u>1,253,234</u>   |
| Operating Expenses          |                        |                       |                        |
| Occupancy and payments to   |                        |                       |                        |
| Landlords                   | 3,667,946              | 4,000,678             | -332,732               |
| Maintenance                 | 689,142                | 700,414               | -11,272                |
| Administration              | 1,192,531              | 1,092,248             | 100,283                |
| Utilities                   | 279,448                | 279,618               | -170                   |
| Tenant services             | 175,933                | 220,642               | -44,709                |
| Other operating expenses    | <u>134,776</u>         | <u>99,225</u>         | <u>35,551</u>          |
| Total operating expense     | <u>6,139,776</u>       | <u>6,392,825</u>      | <u>-253,049</u>        |
| <br>Operating income        | <br><u>531,535</u>     | <br><u>-974,748</u>   | <br><u>1,506,283</u>   |
| Non-operating Revenue       |                        |                       |                        |
| Investment income           | 53,951                 | 210,936               | -156,985               |
| Other income, net           | <u>1,964,489</u>       | <u>255,956</u>        | <u>1,708,533</u>       |
| Total non-operating revenue | <u>2,018,440</u>       | <u>466,892</u>        | <u>1,551,548</u>       |
| <br>Change in net assets    | <br><u>\$2,549,975</u> | <br><u>-\$507,856</u> | <br><u>\$3,057,831</u> |

A discussion of the change between revenues and expenses for fiscal year 2010 compared to fiscal year 2009 is as follows:

- Operating revenue increased \$1,253,234 due to the reasons noted in the financial highlights above.
- Operating expenses decreased 4% in 2010 primarily due to a decrease in occupancy costs and payments to landlords of \$332,732. Included in this expense category is depreciation which decreased from \$1,238,486 in 2009 to \$873,995 in 2010. This was partially offset by a 9% increase in administrative costs in 2010 over 2009.
- Investment income decreased \$156,985 in 2010, as the investment base was lower and interest rates declined. The average interest rate earned declined to less than 1% in 2010.
- Other income increased \$1,708,533 primarily due to grants from the City of Billings totaling \$256,349 of which \$11,659 was used for tenant services, \$42,470 in the development of the Westchester Square housing project and \$202,220 in the Whitetail Square development project. Additionally, the Housing Authority received \$1,715,273 from the Montana State Department of Commerce Board of Housing for the Whitetail Run project.

**Capital Assets**

The following table summarizes the changes in capital assets between June 30, 2010 and 2009:

|                          | <u>2010</u>         | <u>2009</u>         | <u>Net Change</u>  |
|--------------------------|---------------------|---------------------|--------------------|
| Land                     | \$2,340,725         | \$2,334,692         | \$6,033            |
| Buildings                | 15,488,741          | 14,883,499          | 605,242            |
| Building improvements    | 10,605,825          | 9,632,977           | 972,848            |
| Equipment                | 1,026,218           | 987,270             | 38,948             |
| Construction in progress | 2,539,593           | 839,391             | 1,700,202          |
| Accumulated depreciation | <u>-15,740,596</u>  | <u>-15,123,616</u>  | <u>-616,980</u>    |
| Net Capital Assets       | <u>\$16,260,506</u> | <u>\$13,554,213</u> | <u>\$2,706,293</u> |

- The Housing Authority spent \$3,643,925 for capital assets in 2010 of which \$2,386,868 was spent for development of Westchester Square, Whitetail Square and Whitetail Run and \$929,298 was spent in the Public Housing Capital Fund Program. \$248,307 was spent for improvements and equipment for its Low Rent Public Housing Program. An additional \$79,452 was spent in its other programs. These costs were offset by depreciation expense of \$873,995. Asset retirements in all programs totaled \$63,640 after consideration of accumulated depreciation.

**Long-Term Debt**

Long-term debt is due to Montana Board of Housing and decreased \$6,998 in 2010. See Note 4 of the Notes to Financial Statements for specific information regarding long-term debt.

**Currently known facts and expectations and/or Conditions/Expectations**

The Housing Authority received a large ARRA Capital fund grant in 2010 and are in hopes that another stimulus allocation will be awarded in 2011. The Housing Authority should have a \$15,000 subsidy increase in the 2010 calendar year. It is unknown what the subsidy increases and HAP increases will be for the 2011 calendar year as Congress has not voted on an appropriations bill yet this year for 2011. A slight decrease in rental income may occur if utility allowances increase. An adjustment to two Public Housing Amps may occur with a slight increase in subsidy and asset management fees may occur. A large hail storm occurred in June 2010 and thus far the Housing Authority has received \$930,000 in hail damage payments from our insurance company and this may rise upwards of \$1,000,000 once all the bids are completed.

The VASH Voucher Program is close to be 100% leased, the Housing Authority may be applying for a Project-based one bedroom VASH voucher grant, that will add additional units to our Whitetail Square project. The Housing Authority will prepare to apply for additional tax credit units in 2012 and will be doing predevelopment work in 2011. An anticipated 3-5% an administrative increase in costs will probably occur and a continued increase of 10-20% in health care cost is anticipated. The office building may receive a new roof. An expansion of a new file room and move of inventory in the office building will cost approximately \$25,000 in the 2010-2011 year.

An analysis of the DOC Section 8 program will continue to determine financial feasibility of keeping the program with the Montana Department of Commerce.

These are the anticipated changes for the next fiscal year.

**Contacting the Housing Authority's Management Center**

The financial report is designed to provide a general overview of the Housing Authority's finances for all those with an interest. If you have any questions concerning any of the information provided in this report or would like to request additional information, contact the Executive Director, 2415 1<sup>st</sup> Ave. North, Billings MT 59101.

This discussion and analysis of the Housing Authority of Billings, Montana (Housing Authority) provides a narrative overview and analysis of the financial activity of the Housing Authority for the year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with the Housing Authority's basic financial statements.

### **Financial Highlights**

- Net assets of the Housing Authority decreased \$507,856 in the fiscal year ending June 30, 2009.
- Operating revenue of the Housing Authority decreased \$253,901 over the prior year primarily due to decreases of \$175,735 in housing assistance receipts in the HUD Section 8 Housing Choice Voucher Program, \$77,284 in Public Housing Capital Fund revenue and \$31,588 in housing assistance receipts in the Shelter Plus Care program. The operating subsidy from HUD for the Low Rent Public Housing Program increased \$51,608 while dwelling rental income in all programs decreased \$9,572. Revenues in other programs decreased \$11,330. Operating expenses increased by 15.9% over the prior year. Interest and investment income decreased \$262,635.
- The Housing Authority had intergovernmental revenues consisting of HUD Low Rent Public Housing Operating Funds of \$694,584, HUD Capital Fund Program Grants of \$399,020, HUD Section 8 Housing Choice Voucher Program Grants of \$2,752,863, Montana State Department of Commerce Section 8 Program administrative fees of \$161,162, HUD Section 8 New Construction Grants for Pleasantview Apartments of \$378,801, and HUD Shelter Plus Care Program Grants of \$54,404. The City of Billings, Montana made a grant of \$10,000 to the Low Rent Public Housing Program for tenant services. The City also made grants of \$157,530 to the Westchester Square development and \$59,780 to the Whitetail Square development.

### **Overview of the Financial Statements**

The financial statements consist of three parts—management's discussion and analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include a balance sheet, statements of revenues, expenses and changes in net assets, and statements of cash flows. Since the Housing Authority has only enterprise funds, the entity-wide and the fund presentation information is the same.

- The basic financial statements consist of fund financial statements of the Housing Authority's major and non-major enterprise funds, which operating similar to business activities and for which the Housing Authority follows an accrual basis of accounting.
- The basic financial statements also include a "Notes to the Financial Statements" section that explains some of the information in the fund financial statements and provides more detailed data.
- The Notes to the Financial Statements are followed by a "Supplementary Information" section, which presents the financial data schedule of the Housing Authority required by the U.S. Dept. of Housing and Urban Development (HUD).

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of these statements.

**Basic Financial Statements**

The basic financial statements provide detailed information about the Housing Authority's most significant funds. The Housing Authority has one kind of fund:

- Enterprise funds-The Housing Authority's activities are in its enterprise funds, activities that are accounted for in a manner similar to businesses operating in the public sector. Funding has primarily come from HUD grant income. The net assets of these funds represent accumulated earnings since their inception and are generally restricted for program purposes.

**Financial Analysis of the Housing Authority**

The following is management's representation of how the Housing Authority performed during the fiscal year ended June 30, 2009.

|                                         | <u>2009</u>         | <u>2008</u>         | <u>Net Change</u> |
|-----------------------------------------|---------------------|---------------------|-------------------|
| <b>Assets:</b>                          |                     |                     |                   |
| Current and other assets                | \$9,459,697         | \$9,822,026         | -\$362,329        |
| Capital assets                          | <u>13,554,213</u>   | <u>13,622,532</u>   | <u>-68,319</u>    |
| Total Assets                            | 23,013,910          | 23,444,558          | -430,648          |
| <b>Liabilities:</b>                     |                     |                     |                   |
| Long-term liabilities                   | 53,881              | 60,473              | -6,964            |
| Other liabilities                       | <u>618,490</u>      | <u>534,690</u>      | <u>79,338</u>     |
| Total Liabilities                       | 672,371             | 595,163             | 77,208            |
| <b>Net Assets:</b>                      |                     |                     |                   |
| Invested in capital assets              | 13,494,305          | 13,556,032          | -61,727           |
| Restricted                              | 272,180             | 621,582             | -349,402          |
| Unrestricted                            | <u>8,575,054</u>    | <u>8,671,781</u>    | <u>-96,727</u>    |
| Total net assets                        | <u>22,341,539</u>   | <u>22,849,395</u>   | <u>-507,856</u>   |
| <b>Total liabilities and net assets</b> | <u>\$23,013,910</u> | <u>\$23,444,558</u> | <u>-\$430,648</u> |

- Cash and investments decreased by a net of \$510,770 in 2009. This decrease resulted primarily from investments in property and equipment totaling \$1,236,546 offset by \$210,424 in cash from operating activities, \$292,930 in grants and non-operating receipts and interest and investment income of \$205,961.
- In 2009, the Housing Authority completed development of Westchester Square, a 3-unit housing project for low-income individuals. A second project, Whitetail Square, is under development and will have 32 units for low-income individuals when the first phase is completed. A total of \$1,059,951 has been spent on these projects to date.
- Restricted Net Assets represent funds restricted for use as housing assistance payments under the Housing Choice Voucher program. A corresponding amount of restricted cash is included in the investments balance.
- The following table summarizes the changes in revenues and expenses between the years ended June 30, 2009 and 2008.

Housing Authority of Billings, Montana  
Management's Discussion and Analysis  
For the Year Ended June 2009

|                             | <u>2009</u>           | <u>2008</u>          | <u>Net Change</u>       |
|-----------------------------|-----------------------|----------------------|-------------------------|
| Operating Revenue           |                       |                      |                         |
| Dwelling rental             | \$977,243             | \$986,815            | -\$9,572                |
| Administration Fees         | 161,162               | 166,343              | -5,181                  |
| Government operating grant  | 1,093,604             | 1,119,280            | -25,676                 |
| Housing assistance program  | <u>3,186,068</u>      | <u>3,399,540</u>     | <u>-213,472</u>         |
| <br>Total operating revenue | <br><u>5,418,077</u>  | <br><u>5,671,978</u> | <br><u>-253,901</u>     |
| Operating Expenses:         |                       |                      |                         |
| Occupancy and payments to   |                       |                      |                         |
| Landlords                   | 4,000,678             | 3,240,245            | 760,433                 |
| Maintenance                 | 700,414               | 695,069              | 5,345                   |
| Administration              | 1,092,248             | 1,097,247            | -4,999                  |
| Utilities                   | 279,618               | 270,293              | 9,325                   |
| Tenant Services             | 220,642               | 124,522              | 96,120                  |
| Other operating expenses    | 99,225                | 88,185               | 11,040                  |
| Total operating expense     | <u>6,392,825</u>      | <u>5,515,561</u>     | <u>877,264</u>          |
| <br>Operating income        | <br><u>-974,748</u>   | <br><u>156,417</u>   | <br><u>-1,131,165</u>   |
| Non-operating Revenue       |                       |                      |                         |
| Investment income           | 210,936               | 473,571              | -262,635                |
| Other income, net           | <u>255,956</u>        | <u>11,766</u>        | <u>244,190</u>          |
| Total non-operating revenue | <u>466,892</u>        | <u>485,337</u>       | <u>-18,445</u>          |
| <br>Change in net assets    | <br><u>-\$507,856</u> | <br><u>\$641,754</u> | <br><u>-\$1,149,610</u> |

A discussion of the change between revenues and expenses for fiscal year 2009 compared to fiscal year 2008 is as follows:

- Operating revenue decreased \$253,901 primarily due to a reduction of \$175,735 in receipts in the Housing Choice Voucher Program, \$77,284 in Public Housing Capital Fund revenue and \$31,588 in Shelter Plus Care receipts offset by an increase of \$51,608 in the operating subsidy from HUD to the Low Rent Public Housing Program. Other program revenue decreased \$20,902.
- Operating expenses increased 15.9% in 2009 primarily due to an increase in occupancy costs and payments to landlords of \$760,433 and an increase in tenant services costs of \$96,120. All other operating expenses increased \$20,711.
- Investment income decreased \$262,635 in 2009, as the investment base was lower and interest rates declined. The average interest rate earned declined from 4.1% to 1.9%. The unrealized gain in market value of investments was \$59,667 of the \$210,936 of investment income.
- Other income increased \$244,190 primarily due to grants from the City of Billings totaling \$227,310 of which \$10,000 was used for tenant services, \$157,530 in the development of the Westchester Square housing project and \$59,780 in the Whitetail Square development project.

**Capital Assets**

The following table summarizes the changes in capital assets between June 30, 2009 and 2008:

|                          | <u>2009</u>         | <u>2008</u>         | <u>Net Change</u> |
|--------------------------|---------------------|---------------------|-------------------|
| Land                     | \$2,334,692         | \$2,358,129         | -\$23,437         |
| Buildings                | 14,883,499          | 14,883,499          | -                 |
| Building improvements    | 9,632,977           | 9,202,123           | 430,854           |
| Equipment                | 987,270             | 945,053             | 42,217            |
| Construction in progress | 839,391             | 168,624             | 670,767           |
| Accumulated depreciation | <u>-15,123,616</u>  | <u>-13,934,896</u>  | <u>-1,188,720</u> |
| Net Capital Assets       | <u>\$13,554,213</u> | <u>\$13,622,532</u> | <u>-\$68,319</u>  |

- The Housing Authority spent \$1,236,546 for capital assets in 2009 of which \$722,017 was spent for development of Westchester Square and Whitetail Square and \$309,795 was spent in the Public Housing Capital Fund Program. \$139,988 was spent for improvements and equipment for its Low Rent Elderly Section 8 Project. An additional \$64,746 was spent in its other programs. These costs were offset by depreciation expense of \$1,238,547. Asset retirements in all programs totaled \$66,318 after consideration of accumulated depreciation.

**Long-Term Debt**

Long-term debt is due to Montana Board of Housing and decreased \$6,592 in 2009. See Note 5 of the Notes to Financial Statements for specific information regarding long-term debt.

**Currently known facts and expectations and/or Conditions/Expectations**

The Housing Authority received stimulus money for Capital fund plus its regular allocation. These projects will run into the 2010 fiscal year for an additional \$614,565. The public housing Operating fund will be approximately 100% for Fiscal year 2010. The Housing Authority moves forward with the 2011 deadline for asset management but is still in hopes that congress will exempt the under 500 unit Housing Authority's.

The Section 8 program allocation is still up in the air as to what we shall receive, we scaled our units back to stay within budget and now we are concerned that that may reduce next year's funding a bit. We have been told that there will not be a pro rata, but that has yet to be seen. The DOC Voucher program is over expended via the state so we do not know what we will receive for a contract, last year we saw no increase in our administrative contract with DOC. As the unemployment rate worsened in the fiscal year 2008-2009 the per unit cost of supplying vouchers increased making it more expensive to serve each voucher holder, this causes the Housing Authority to help less families in our community.

The Shelter Plus care program is under spent this year and we are in hopes to not have those issues in 2010, the mental health center is very slow in sending over applicants. The Housing Authority receive 35 VASH Vouchers for Homeless veterans and this will assist the homeless vets in our community.

The Housing Authority has been awarded tax credits to build a 35 unit complex in our community. They are Family units and will be built in the 2010-2011 fiscal year. The Housing Authority also received TCAP stimulus money as Gap financing for the tax credit project. The Housing Authority will need to hire additional staff to handle these units. The Housing Authority placed three new units into construction in the 2009 fiscal year. The subdivision Whitetail Square was designed and will be completed in the fall of 2009.

Health Insurance costs continue to increase and it is estimates that a 10 to 15% increase will occur again this coming year.

**Contacting the Housing Authority's Management Center**

The financial report is designed to provide a general overview of the Housing Authority's finances for all those with an interest. If you have any questions concerning any of the information provided in this report or would like to request additional information, contact the Executive Director, 2415 1<sup>st</sup> Ave. North, Billings, MT 59101.

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Housing Authority of Billings, Montana

Balance Sheets

June 30, 2010 and 2009

|                                                    | <u>2010</u>          | <u>2009</u>          |
|----------------------------------------------------|----------------------|----------------------|
| Liabilities and Net Assets                         |                      |                      |
| Current Liabilities                                |                      |                      |
| Current maturities of long-term debt               | \$ 6,027             | \$ 6,027             |
| Accounts payable                                   | 126,200              | 284,326              |
| Insurance funds available for hail and pipe repair | 48,033               | 48,033               |
| Accrued liabilities                                | 130,544              | 113,744              |
| Security deposits                                  | 109,435              | 98,492               |
| Total current liabilities                          | <u>420,239</u>       | <u>550,622</u>       |
| <br>                                               |                      |                      |
| Long-Term Debt                                     | 46,883               | 53,881               |
| <br>                                               |                      |                      |
| FSS Escrow Obligations                             | 49,290               | 67,868               |
| Total Liabilities                                  | <u>516,412</u>       | <u>672,371</u>       |
| <br>                                               |                      |                      |
| Net Assets                                         |                      |                      |
| Invested in capital assets, net of related debt    | 16,207,596           | 13,494,305           |
| Restricted                                         | 332,057              | 272,180              |
| Unrestricted                                       | 8,351,861            | 8,575,054            |
| Total net assets                                   | <u>24,891,514</u>    | <u>22,341,539</u>    |
|                                                    | <u>\$ 25,407,926</u> | <u>\$ 23,013,910</u> |

Housing Authority of Billings, Montana  
 Statements of Revenues, Expenses and Changes in Net Assets  
 Years Ended June 30, 2010 and 2009

|                                     | 2010          | 2009          |
|-------------------------------------|---------------|---------------|
| Operating Revenue                   |               |               |
| Housing assistance program receipts | \$ 3,652,258  | \$ 3,186,068  |
| Dwelling rental                     | 1,042,578     | 977,243       |
| On-going grants                     | 1,052,414     | 399,020       |
| Operating subsidy                   | 750,091       | 694,584       |
| Administration fees                 | 173,970       | 161,162       |
| Total operating revenue             | 6,671,311     | 5,418,077     |
| Operating Expenses                  |               |               |
| Occupancy and payments to landlords | 3,667,946     | 4,000,678     |
| Maintenance                         | 689,142       | 700,414       |
| Administration                      | 1,192,531     | 1,092,248     |
| Utilities                           | 279,448       | 279,618       |
| Tenant services                     | 175,934       | 220,642       |
| Other                               | 134,775       | 99,225        |
| Total operating expenses            | 6,139,776     | 6,392,825     |
| Operating Income (Loss)             | 531,535       | (974,748)     |
| Nonoperating Revenue                |               |               |
| Interest and investment income      | 53,951        | 210,936       |
| Other income                        | 252,675       | 259,767       |
| Capital grant                       | 1,715,273     | -             |
| Interest expense                    | (3,459)       | (3,811)       |
| Total nonoperating revenue          | 2,018,440     | 466,892       |
| Change in Net Assets                | 2,549,975     | (507,856)     |
| Net Assets, Beginning of Year       | 22,341,539    | 22,849,395    |
| Net Assets, End of Year             | \$ 24,891,514 | \$ 22,341,539 |

# Housing Authority of Billings, Montana

Statements of Cash Flows  
Years Ended June 30, 2010 and 2009

|                                                                         | 2010         | 2009         |
|-------------------------------------------------------------------------|--------------|--------------|
| Operating Activities                                                    |              |              |
| Cash received from customers/tenants                                    | \$ 1,036,628 | \$ 968,807   |
| Cash received from U. S. Department<br>of Housing and Urban Development |              |              |
| Housing assistance                                                      | 4,402,349    | 3,886,990    |
| Grants                                                                  | 1,028,732    | 272,391      |
| Cash received from State of Montana -<br>Department of Commerce         | 173,970      | 161,162      |
| Cash payments to landlords                                              | (2,810,690)  | (2,802,068)  |
| Cash payments to employees                                              | (925,275)    | (926,964)    |
| Cash payments to suppliers                                              | (605,503)    | (653,329)    |
| Cash payments to other governments/agencies                             | (95,481)     | (54,819)     |
| Cash payments to others                                                 | (970,151)    | (641,746)    |
| Net Cash From Operating Activities                                      | 1,234,579    | 210,424      |
| Non-Capital Financing Activities                                        |              |              |
| Other nonoperating receipts                                             | 166,340      | 71,912       |
| Net Cash From (Used For) Non-Capital Financing Activities               | 166,340      | 71,912       |
| Capital And Related Financing Activities                                |              |              |
| Capital grants received                                                 | 1,749,689    | 221,018      |
| Property and equipment purchases                                        | (3,643,925)  | (1,236,546)  |
| Principal payments on long-term debt                                    | (6,998)      | (6,592)      |
| Interest paid on notes                                                  | (3,404)      | (3,811)      |
| Net Cash Used For Capital And<br>Related Financing Activities           | (1,904,638)  | (1,025,931)  |
| Investing Activities                                                    |              |              |
| Interest income and realized gains                                      | 62,346       | 205,961      |
| Proceeds from sale of investments                                       | 3,881,385    | 5,370,577    |
| Purchases of investments                                                | (3,535,026)  | (4,233,409)  |
| Net Cash From Investing Activities                                      | 408,705      | 1,343,129    |
| Net Change in Cash and Cash Equivalents                                 | (95,014)     | 599,534      |
| Cash and Cash Equivalents, Beginning of Year                            | 1,996,583    | 1,397,049    |
| Cash and Cash Equivalents, End of Year                                  | \$ 1,901,569 | \$ 1,996,583 |

Housing Authority of Billings, Montana

Statements of Cash Flows

Years Ended June 30, 2010 and 2009

|                                                                                           | <u>2010</u>         | <u>2009</u>       |
|-------------------------------------------------------------------------------------------|---------------------|-------------------|
| Reconciliation of Operating Income<br>to Net Cash From Operating Activities               |                     |                   |
| Operating income (loss)                                                                   | \$ 531,535          | \$ (974,748)      |
| Adjustments to reconcile operating income (loss)<br>to net cash from operating activities |                     |                   |
| Depreciation expense                                                                      | 873,995             | 1,238,547         |
| Changes in assets and liabilities                                                         |                     |                   |
| Receivables, net                                                                          | (21,990)            | (137,175)         |
| Accounts payable                                                                          | (158,126)           | 79,338            |
| Accrued liabilities                                                                       | 16,800              | (3,990)           |
| Security deposits                                                                         | 10,943              | (518)             |
| FSS escrow obligations                                                                    | (18,578)            | 8,970             |
| Net Cash From Operating Activities                                                        | <u>\$ 1,234,579</u> | <u>\$ 210,424</u> |

## **Note 1 - Reporting Entity and Significant Accounting**

### **Reporting Entity**

The Housing Authority of Billings, Montana (Housing Authority), a related organization of the City of Billings, Montana, is a public housing agency formed to provide financial assistance for low income public housing pursuant to the United States Housing Act of 1937, as amended, 42 United States Code Section 1437 et seq. The City of Billings appoints the members of the Housing Authority's Board of Commissioners. However, the Housing Authority is not financially accountable to the City of Billings. The Housing Authority operates 274 public housing units subsidized by the Department of Housing and Urban Development under an Annual Contributions Contract; a Section 8 Program consisting of 579 Housing Authority of Billings, Montana housing choice vouchers and administrative income to administer a portion of the Montana State Section 8 voucher Program, a Section 23D Elderly project housing 100 subsidized units; a Shelter Plus Care project with 15 to 27 units and HAB Development Corporation consisting of 24 units. The Housing Authority is considered a special-purpose government engaged only in a business-type activity and reports all activity as an enterprise fund.

### **Basis of Accounting**

The Housing Authority prepares its financial statements on the accrual basis of accounting which is generally accepted. Under this method, revenues, including grants and contributions, are recognized in the accounting period in which they are earned and expenses when the liability for them is initially incurred.

The Housing Authority considers receivables collected within sixty days after year-end to be available and recognizes them as revenue of the current year.

### **Summary of Significant Accounting Policies**

The Housing Authority's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 that do not conflict with or contradict GASB pronouncements. Although the Housing Authority has the option to apply FASB pronouncements issued after that date, the Housing Authority has chosen not to do so. The more significant accounting policies established in GAAP and used by the Housing Authority are discussed below.

### **Concentrations of Credit Risk**

Accounts receivable are comprised principally of amounts due from HUD for reimbursement of modernization costs and for annual contributions due under grants.

### **Use of Estimates**

The Housing Authority uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

**Cash Equivalents**

The Housing Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Restricted Cash and Investments**

Restricted cash relates to the accrued subsidies for the family self-sufficiency program described later on in Note 1. Restricted investments relates to excess HAP funds provided by HUD for the Housing Choice Voucher program.

**Investments and Investment Income**

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**Property and Equipment**

Property and equipment purchased or acquired with an original cost of \$5,000 or more is stated at historical or estimated historical cost. Depreciation is computed using the straight-line method and is provided over the following estimated useful lives:

|                       |               |
|-----------------------|---------------|
| Buildings             | 30 - 40 years |
| Building improvements | 20 years      |
| Equipment             | 3 - 10 years  |

**Compensated Absences**

Vacation

Permanent full-time and part-time employees of the Housing Authority begin earning vacation days on the first day of their employment. However, they may not use vacation days until they have been continuously employed for six months. Vacation days earned vary based upon years of service for permanent full-time employees as follows:

| <u>Years of Service</u>   | <u>Annual Vacation Days Earned</u> |
|---------------------------|------------------------------------|
| 1 day through 10 years    | 15                                 |
| 10 years through 15 years | 18                                 |
| 15 years through 20 years | 21                                 |
| Over 20 years             | 24                                 |

Permanent part-time employees receive prorated annual vacation benefits. Employees may accumulate unused vacation days up to twice the annual vacation days earned. Upon termination of employment, employees will be compensated for earned but unused vacation days not exceeding twice their annual vacation days earned.

#### Sick Leave

Permanent full-time and part-time employees and temporary employees begin earning sick leave days on the first day of their employment. However, they may not use sick leave days until they have been continuously employed for 90 days. Permanent full-time employees earn twelve days of sick leave per year. Part-time permanent employees receive prorated annual sick leave benefits. Temporary employees received sick leave benefits provided they work the qualifying period.

Upon termination of employment, employees will be compensated for 25% of their earned but unused sick leave days.

#### **Family Self-Sufficiency**

The Family Self-Sufficiency program (FSS) is an incentive program for low-income persons receiving subsidies to help them find ways to increase their income through schooling, technical training, etc. The Housing Authority sets aside in an escrow account the difference between the participants' starting subsidy and their declining subsidy as their wages increase. When the participants achieve an income level at which they no longer receive subsidies in accordance with program guidelines, they will receive the escrow balance in cash. If the participants fail to comply with the program requirements, their escrow balance is forfeited. The total balance of the escrow accounts at June 30, 2010 was \$49,290. The liability and the corresponding restricted cash are shown on the Housing Authority's financial statements.

#### **Restricted Net Assets**

Excess HAP funds provided by HUD for the Housing Choice Voucher program are considered restricted. All restricted funds must be used solely for the purpose of the Voucher program HAP expenses with the exception of over-leased units.

#### **Operating and Non-operating Revenue**

The Housing Authority defines operating revenue as revenues which are directly related to the purpose of the providing housing. Accordingly, investment income, gains on sale of assets, and interest expense are recorded as non-operating.

#### **Concentrations of Credit Risk**

Accounts receivable are comprised principally of amounts due from HUD for reimbursement of modernization costs and for annual contributions due under grants. **Reclassification**  
Certain 2009 balances have been reclassified to conform to the 2010 presentation.

**Note 2 - Cash and Investments**

The Housing Authority's funds are required to be deposited and invested under the terms of a general depository agreement pursuant to PIH 95-27 "Required HA Cash Management and Investment Policies and Procedures." The agreement authorizes the Housing Authority to invest in the following approved investment instruments:

- A. Direct obligations of the Federal Government backed by the full faith and credit of the United States including U.S. Treasury Bills; U.S. Treasury Notes; and U.S. Treasury Bonds
- B. Obligations of Federal Government Agencies including Federal Financing Bank; Government National Mortgage Association (GNMA), Mortgage-Backed Securities (GNMA I and GNMA II); GNMA Participation Certificates; Maritime Administration Merchant Marine Bonds, Notes and Obligations; Small Business Administration (SBA), Small Business Investments Corporation (SBIC) Debentures; and Tennessee Valley Authority (TVA) Power Bonds and Notes
- C. Securities of Government-Sponsored Agencies including Farm Credit Consolidated System-Wide Discount Notes; Federal Farm Credit Banks Consolidated System-Wide Bonds; Federal Home Loan Banks Consolidated Bonds, Notes and Discount Notes; FHLMC Mortgage Participation Certificates (PC) (Guaranteed); FHLMC Collateralized Mortgage Obligations (CMOs); Federal National Mortgage Association (FNMA) Debentures; FNMA Notes; FNMA Short-Term Discount Notes; FNMA Capital Debentures; and Student Loan Marketing Associations (SLMA) Obligations
- D. Demand and Savings Deposits
- E. Money-Market Deposit Accounts
- F. Municipal Depository Fund
- G. Super NOW Accounts
- H. Certificates of Deposits
- I. Repurchase Agreements
- J. Sweep Accounts
- K. Separate Trading of Registered Interest and Principal of Securities
- L. Mutual Funds

The depository bank deposits for safekeeping and trust with the Housing Authority's agent approved pledged securities in an amount sufficient to protect Housing Authority funds on a day-to-day basis during the period of the agreement. The pledge of approved securities is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation insurance.

Under the general depository agreement, the Housing Authority, at its own discretion, invests funds in demand and savings deposits and certificates of deposit provided by the depository bank at interest rates approximating United States Treasury Bill rates.

The carrying amounts of the Housing Authority's deposits (cash and certificates of deposit) with financial institutions as of June 30, 2010 and 2009 were \$4,231,678 and \$4,307,022, respectively, and the cash bank balances were \$2,247,421 and \$2,038,152, respectively. The bank balances were categorized as follows:

Housing Authority of Billings, Montana

Notes to Financial Statements

June 30, 2010 and 2009

|                                                                                                                                           | <u>2010</u>         | <u>2009</u>         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Amount insured by the FDIC                                                                                                                | \$ 250,000          | \$ 250,000          |
| Amount collateralized with securities held by the<br>pledging financial institution's trust department<br>in the Housing Authority's name | 3,494,256           | 3,896,188           |
| Under (over) collateralized                                                                                                               | <u>(1,496,835)</u>  | <u>(2,108,036)</u>  |
| Total bank balance                                                                                                                        | <u>\$ 2,247,421</u> | <u>\$ 2,038,152</u> |

The investments held in trust accounts as of June 30, 2010 and 2009 are as follows:

|                                                  | <u>2010</u>         | <u>2009</u>         |
|--------------------------------------------------|---------------------|---------------------|
| U.S. Treasury Notes                              | \$ 1,363,509        | \$ 2,838,628        |
| Federal Treasury Obligations Fund (Money Market) | <u>3,067,248</u>    | <u>2,064,534</u>    |
| Total bank balance                               | <u>\$ 4,430,757</u> | <u>\$ 4,903,162</u> |

The investments are reported at market value. Relating to credit risk, all of the investments are classified as uninsured and unregistered, with securities held by the counter party, or its trust department or agent, but not in the Housing Authority of Billings, Montana's name.

**Note 3 - Capital Assets**

Capital asset activity for the years ended June 30, 2010 and 2009 are as follows:

|                                                | July 1, 2009<br>Balances | Increases           | Decreases          | Transfers        | June 30, 2010<br>Balances |
|------------------------------------------------|--------------------------|---------------------|--------------------|------------------|---------------------------|
| Capital assets not being depreciated           |                          |                     |                    |                  |                           |
| Land                                           | \$ 2,334,692             | \$ 6,033            | \$ -               | \$ -             | \$ 2,340,725              |
| Construction in progress                       | 839,391                  | 2,397,841           | -                  | (697,639)        | 2,539,593                 |
| Total capital assets not<br>being depreciated  | <u>3,174,083</u>         | <u>2,403,874</u>    | <u>-</u>           | <u>(697,639)</u> | <u>4,880,318</u>          |
| Capital assets being depreciated               |                          |                     |                    |                  |                           |
| Buildings                                      | 14,883,499               | 5,531               | -                  | 599,714          | 15,488,744                |
| Building Improvements                          | 9,632,977                | 1,193,375           | (318,454)          | 97,925           | 10,605,823                |
| Equipment                                      | 987,270                  | 41,148              | (2,200)            | -                | 1,026,218                 |
| Total capital assets<br>being depreciated      | <u>25,503,746</u>        | <u>1,240,054</u>    | <u>(320,654)</u>   | <u>697,639</u>   | <u>27,120,785</u>         |
| Less accumulated depreciation for:             |                          |                     |                    |                  |                           |
| Buildings                                      | 10,045,635               | 381,202             | -                  | -                | 10,426,837                |
| Building Improvements                          | 4,297,694                | 450,018             | (254,814)          | -                | 4,492,898                 |
| Equipment                                      | 780,287                  | 42,775              | (2,200)            | -                | 820,862                   |
| Total accumulated depreciation                 | <u>15,123,616</u>        | <u>873,995</u>      | <u>(257,014)</u>   | <u>-</u>         | <u>15,740,597</u>         |
| Total capital assets being<br>depreciated, net | <u>10,380,130</u>        | <u>366,059</u>      | <u>(63,640)</u>    | <u>697,639</u>   | <u>11,380,188</u>         |
| Total capital assets, net                      | <u>\$ 13,554,213</u>     | <u>\$ 2,769,933</u> | <u>\$ (63,640)</u> | <u>\$ -</u>      | <u>\$ 16,260,506</u>      |

Housing Authority of Billings, Montana

Notes to Financial Statements

June 30, 2010 and 2009

|                                             | July 1, 2008<br>Balances | Increases  | Decreases   | Transfers | June 30, 2009<br>Balances |
|---------------------------------------------|--------------------------|------------|-------------|-----------|---------------------------|
| Capital assets not being depreciated        |                          |            |             |           |                           |
| Land                                        | \$ 2,358,129             | \$ -       | \$ (23,437) | \$ -      | \$ 2,334,692              |
| Construction in progress                    | 168,624                  | 820,626    | (1,321)     | (148,538) | 839,391                   |
| Total capital assets not being depreciated  | 2,526,753                | 820,626    | (24,758)    | (148,538) | 3,174,083                 |
| Capital assets being depreciated            |                          |            |             |           |                           |
| Buildings                                   | 14,883,499               | -          | -           | -         | 14,883,499                |
| Building Improvements                       | 9,202,123                | 367,790    | (91,387)    | 154,451   | 9,632,977                 |
| Equipment                                   | 945,053                  | 48,130     | -           | (5,913)   | 987,270                   |
| Total capital assets being depreciated      | 25,030,675               | 415,920    | (91,387)    | 148,538   | 25,503,746                |
| Less accumulated depreciation for:          |                          |            |             |           |                           |
| Buildings                                   | 9,309,530                | 736,105    | -           | -         | 10,045,635                |
| Building Improvements                       | 3,889,621                | 457,900    | (49,827)    | -         | 4,297,694                 |
| Equipment                                   | 735,745                  | 44,542     | -           | -         | 780,287                   |
| Total accumulated depreciation              | 13,934,896               | 1,238,547  | (49,827)    | -         | 15,123,616                |
| Total capital assets being depreciated, net | 11,095,779               | (822,627)  | (41,560)    | 148,538   | 10,380,130                |
| Total capital assets, net                   | \$ 13,622,532            | \$ (2,001) | \$ (66,318) | \$ -      | \$ 13,554,213             |

**Note 4 - Long-Term Debt**

Changes in long-term debt for the years ended June 30, 2010 and 2009, are as follows:

|       | July 1, 2009 | Increases | Decreases  | June 30, 2010 |
|-------|--------------|-----------|------------|---------------|
| Notes | \$ 59,908    | \$ -      | \$ (6,998) | \$ 52,910     |
|       | July 1, 2008 | Increases | Decreases  | June 30, 2009 |
| Notes | \$ 66,500    | \$ -      | \$ (6,592) | \$ 59,908     |

Housing Authority of Billings, Montana

Notes to Financial Statements

June 30, 2010 and 2009

Long-term debt consists of:

|                                                                                                                            | <u>2010</u>      | <u>2009</u>      |
|----------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| HAB Development Corporation:                                                                                               |                  |                  |
| 6% mortgage note payable, due in monthly installments of \$867, including interest to August 1, 2016, secured by buildings | \$ 52,910        | \$ 59,908        |
| Less current maturities                                                                                                    | <u>(6,027)</u>   | <u>(6,027)</u>   |
|                                                                                                                            | <u>\$ 46,883</u> | <u>\$ 53,881</u> |

Debt service requirements as of June 30, 2010 are as follows:

| <u>Years Ending June 30,</u> | <u>Principal</u> | <u>Interest</u>  |
|------------------------------|------------------|------------------|
| 2011                         | \$ 6,027         | \$ 3,009         |
| 2012                         | 7,849            | 2,553            |
| 2013                         | 8,333            | 2,069            |
| 2014                         | 8,847            | 1,555            |
| 2015                         | 9,363            | 1,010            |
| 2016-2017                    | <u>12,491</u>    | <u>443</u>       |
| Total                        | <u>\$ 52,910</u> | <u>\$ 10,639</u> |

**Note 5 - Pension and Retirement Fund**

**General Information**

The Public Employees' Retirement System (PERS) financial information is reported in the Public Employees Retirement Board's (PERB) *Comprehensive Annual Financial Report* for the fiscal year ended. It is available from the PERB at 100 North Park, PO Box 200131, Helena, MT 59620-0131, 406-444-3154. The information can also be found on the PERB web site at <http://www.state.mt.us/doa/PERB/perb.htm>.

Beginning in FY2002, eligible members of PERS had a 12-month window to choose between the PERS- defined benefit retirement plan (DBRP) or the PERS-defined contribution retirement plan (DCRP). Eligible new hires will have a 12-month window during which they may choose to remain in the current PERS-DBRP or join the PERS-DCRP. Members may not be active members of both the defined contribution and defined benefit retirement plans. The choice is irrevocable. For members that choose to join the PERS-DCRP, a percentage of the employer contribution will be used to maintain the funding of the defined benefit plan.

## Plan Description

### Defined Benefit Retirement Plan

The PERS-DBRP is a multiple-employer, cost sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan covers the State, university system, local governments and certain employees of the school districts.

The PERS-DBRP provides retirement, disability and death benefits to plan members and their beneficiaries. Benefits are established by state law and can only be amended by the Legislature. Benefits are based on eligibility, years of service and highest average compensation. Highest average compensation is highest compensation during any consecutive 36 months. Benefit eligibility is age 60 with at least five years of service; age 65 regardless of service; or 30 years of service regardless of age. Actuarial reduced benefits may be taken with 25 years of service or at age 50 with at least five years of service. Monthly retirement benefits for employees with less than 25 years of service are 1.78% of highest average compensation per year of membership service and for employees with 25 years of service of greater the monthly benefits are 2.00% of highest average compensation per year of membership service. A guaranteed annual benefit adjustment (GABA) is provided each January for benefit recipients if they have been receiving a benefit for at least 12 full months. The GABA is a maximum increase of 3.0%, inclusive of other adjustments to the member's benefit. Members' rights became vested after five years of service.

### Defined Contribution Retirement Plan

The PERS-DCRP is a multi-employer plan established July 1, 2002, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan covers the State, university system, local governments and certain employees of the school districts.

The PERS-DCRP provides retirement, disability and death benefits to plan members and their beneficiaries based on the balance in the members account.

### Funding Policy

The State legislature has the authority to establish and amend contribution rates to the plan. Plan members are required to contribute 6.9% of monthly compensation. The Housing Authority of Billings, Montana is required to contribute 6.8% of members' compensation. The State of Montana is required to contribute .1% of members' compensation on behalf of local government entities.

The Housing Authority of Billings, Montana's contributions to PERS for the years ending June 30, 2010, 2009 and 2008 were \$69,166, \$67,385 and \$60,030, respectively, equal to 100% of the required contribution for each year.

## Note 6 - Risk Management

The Housing Authority's risk management activities include purchase of commercial insurance for employee health care, workers' compensation, buildings, personal property, loss of income, auto, employee dishonesty, boiler and machinery and general liability. The Housing Authority retains no risk of loss

except losses exceeding insurance coverage amounts. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. There have been no significant reductions in insurance coverage.

**Note 7 - Construction in Progress**

As of June 30, 2010, the Board approved \$4,500,000 for tax credit units for Westchester Square, Whitetail Run and Whitetail Square housing projects in the Billings Heights area. As of June 30, 2010, Whitetail Run and Whitetail Square are still under construction.



Supplementary Information  
June 30, 2010 and 2009

# Housing Authority of Billings, Montana

**Housing Authority of Billings, Montana**  
 Balance Sheets by Program  
 June 30, 2010  
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| Assets                                               | AMP-1                | COCC             | Housing Assistance Payments Program D-76-040 | Section 8 Contract Administrator |                   | Public Housing Capital Fund | HAB Development Corporation |                   |                          |                   | Elimination       | Total               |                      |
|------------------------------------------------------|----------------------|------------------|----------------------------------------------|----------------------------------|-------------------|-----------------------------|-----------------------------|-------------------|--------------------------|-------------------|-------------------|---------------------|----------------------|
|                                                      |                      |                  |                                              | State Certificates               | Local Vouchers    |                             | Spring Gardens              | Old Town Square   | New Heights Developments | Shelter Plus Care |                   |                     | Office Building      |
| <b>Current Assets</b>                                |                      |                  |                                              |                                  |                   |                             |                             |                   |                          |                   |                   |                     |                      |
| Cash and cash equivalents                            | \$ 656,249           | \$ 9,615         | \$ 276,415                                   | \$ -                             | \$ 166,589        | \$ -                        | \$ 156,669                  | \$ 76,113         | \$ 502,097               | \$ 8,532          | \$ -              | \$ -                | \$ 1,852,279         |
| Restricted cash                                      | 12,864               | -                | -                                            | -                                | 36,426            | -                           | -                           | -                 | -                        | -                 | -                 | -                   | 49,290               |
| Receivables                                          |                      |                  |                                              |                                  |                   |                             |                             |                   |                          |                   |                   |                     |                      |
| Due from Department of Housing and Urban Development | 215,218              | -                | -                                            | -                                | -                 | -                           | -                           | -                 | -                        | -                 | -                 | -                   | 215,218              |
| Due from City Community Development                  | 11,659               | -                | -                                            | -                                | -                 | -                           | -                           | -                 | -                        | -                 | -                 | -                   | 11,659               |
| Due from Montana Board of Housing                    | -                    | -                | 396                                          | -                                | 2,650             | -                           | 245                         | 245               | 216,566                  | -                 | -                 | -                   | 216,566              |
| Interest                                             | 13,473               | -                | 1,372                                        | -                                | 12,631            | -                           | (39)                        | 127               | -                        | 110               | -                 | -                   | 12,550               |
| Other                                                | (570)                | -                | -                                            | -                                | (112)             | -                           | -                           | -                 | -                        | -                 | -                 | -                   | 27,674               |
| Allowance for doubtful accounts                      |                      |                  |                                              |                                  |                   |                             |                             |                   |                          |                   |                   |                     | (682)                |
| Investments                                          |                      |                  |                                              |                                  |                   |                             |                             |                   |                          |                   |                   |                     |                      |
| Certificates of deposit                              | 1,180,731            | -                | 169,665                                      | 203,472                          | 297,378           | -                           | 73,403                      | 73,403            | -                        | -                 | -                 | -                   | 1,998,052            |
| Certificates of deposit - restricted                 | -                    | -                | -                                            | -                                | 332,057           | -                           | -                           | -                 | -                        | -                 | -                 | -                   | 332,057              |
| Trust Custody Account                                | -                    | -                | 4,430,757                                    | -                                | -                 | -                           | -                           | -                 | -                        | -                 | -                 | -                   | 4,430,757            |
| Due from other programs                              | -                    | 53,221           | 419,602                                      | -                                | 40,486            | -                           | 4,267                       | -                 | -                        | -                 | 81,349            | (598,925)           | -                    |
| Prepaid expenses                                     | 2,000                | -                | -                                            | -                                | -                 | -                           | -                           | -                 | -                        | -                 | -                 | -                   | 2,000                |
| <b>Total current assets</b>                          | <b>2,100,600</b>     | <b>62,836</b>    | <b>5,298,207</b>                             | <b>203,510</b>                   | <b>888,105</b>    | <b>-</b>                    | <b>234,545</b>              | <b>149,888</b>    | <b>718,663</b>           | <b>8,642</b>      | <b>81,349</b>     | <b>(598,925)</b>    | <b>9,147,420</b>     |
| <b>Net Property and Equipment</b>                    |                      |                  |                                              |                                  |                   |                             |                             |                   |                          |                   |                   |                     |                      |
| Land                                                 | 1,746,757            | -                | 200,000                                      | -                                | -                 | -                           | -                           | -                 | 343,967                  | -                 | 50,000            | -                   | 2,340,725            |
| Buildings                                            | 11,199,141           | -                | 1,822,750                                    | -                                | -                 | -                           | 832,698                     | 804,909           | 605,242                  | -                 | 224,001           | -                   | 15,488,741           |
| Building improvements                                | 8,306,478            | -                | 1,642,224                                    | -                                | -                 | -                           | 1,777,617                   | 14,529            | -                        | -                 | 464,977           | -                   | 10,605,825           |
| Equipment                                            | 721,122              | 119,727          | 101,629                                      | 10,789                           | 66,826            | -                           | 1,581                       | -                 | -                        | -                 | 4,543             | -                   | 1,026,217            |
| Construction in progress                             | 673                  | -                | 35,782                                       | -                                | -                 | -                           | -                           | -                 | 2,503,138                | -                 | -                 | -                   | 2,539,593            |
| Accumulated depreciation                             | (21,974,171)         | (119,727)        | (3,802,385)                                  | (10,789)                         | (66,826)          | -                           | (1,011,897)                 | (819,438)         | (3,452,347)              | -                 | (743,521)         | -                   | (32,001,101)         |
|                                                      | (12,045,004)         | (97,654)         | (2,617,822)                                  | (6,094)                          | (40,570)          | -                           | (369,518)                   | (147,162)         | (15,131)                 | -                 | (401,640)         | -                   | (15,740,595)         |
|                                                      | 9,929,167            | 22,073           | 1,184,563                                    | 4,695                            | 26,256            | -                           | 642,379                     | 672,276           | 3,437,216                | -                 | 341,881           | -                   | 16,260,506           |
| <b>Total</b>                                         | <b>\$ 12,029,767</b> | <b>\$ 84,909</b> | <b>\$ 6,482,770</b>                          | <b>\$ 208,205</b>                | <b>\$ 914,361</b> | <b>\$ -</b>                 | <b>\$ 876,924</b>           | <b>\$ 822,164</b> | <b>\$ 4,155,879</b>      | <b>\$ 8,642</b>   | <b>\$ 423,230</b> | <b>\$ (598,925)</b> | <b>\$ 25,407,926</b> |

Housing Authority of Billings, Montana  
Balance Sheets by Program  
June 30, 2010  
(Page 2 of 4)

| Liabilities and Equity                             | AMP-1        | COCC      | Housing Assistance Program D-76-040 Payments | Section 8 Contract Administrator |                |                             | HAB Development Corporation |                 |                          |                   | Shelter Plus Care | Office Building | Elimination  | Total         |                 |
|----------------------------------------------------|--------------|-----------|----------------------------------------------|----------------------------------|----------------|-----------------------------|-----------------------------|-----------------|--------------------------|-------------------|-------------------|-----------------|--------------|---------------|-----------------|
|                                                    |              |           |                                              | State Certificates               | Local Vouchers | Public Housing Capital Fund | Spring Gardens              | Old Town Square | New Heights Developments | Shelter Plus Care |                   |                 |              |               | Office Building |
|                                                    |              |           |                                              |                                  |                |                             |                             |                 |                          |                   |                   |                 |              |               |                 |
| Current Liabilities                                |              |           |                                              |                                  |                |                             |                             |                 |                          |                   |                   |                 |              |               |                 |
| Current maturities of long-term debt               | \$ 104,702   | \$ 115    | \$ 19,048                                    | \$ -                             | \$ 521         | \$ -                        | \$ 6,027                    | \$ 836          | \$ 182                   | \$ 796            | \$ -              | \$ -            | \$ -         | \$ 126,200    |                 |
| Accounts payable                                   |              |           |                                              |                                  |                |                             |                             |                 |                          |                   |                   |                 |              |               |                 |
| Due to Department of Housing and Urban Development | 48,033       |           |                                              |                                  |                |                             |                             |                 |                          |                   |                   |                 |              | 48,033        |                 |
| Insurance funds available for hail and pipe repair | 152,693      |           |                                              |                                  |                |                             |                             |                 | 759                      | 379,629           | 24,065            |                 | (598,925)    |               |                 |
| Due to other programs                              | 48,371       | 22,435    | 16,069                                       | 41,779                           | 26,774         |                             | 2,308                       | 1,454           | 405                      | 514               |                   |                 |              | 130,544       |                 |
| Accrued liabilities                                | 78,745       |           | 23,940                                       | 12,214                           |                |                             | 4,000                       | 2,000           | 750                      |                   |                   |                 |              | 109,435       |                 |
| Security deposits                                  |              |           |                                              |                                  |                |                             |                             |                 |                          |                   |                   |                 |              |               |                 |
| Total current liabilities                          | 432,544      | 22,550    | 59,057                                       | 53,993                           | 27,295         |                             | 13,171                      | 4,395           | 381,580                  | 24,579            |                   | (598,925)       |              | 420,239       |                 |
| Long-Term Debt                                     |              |           |                                              |                                  |                |                             | 46,883                      |                 |                          |                   |                   |                 |              | 46,883        |                 |
| FSS Escrow Obligations                             | 12,864       |           |                                              |                                  | 36,426         |                             |                             |                 |                          |                   |                   |                 |              | 49,290        |                 |
| Total liabilities                                  | 445,408      | 22,550    | 59,057                                       | 53,993                           | 63,721         |                             | 60,054                      | 4,395           | 381,580                  | 24,579            |                   | (598,925)       |              | 516,412       |                 |
| Net Assets                                         |              |           |                                              |                                  |                |                             |                             |                 |                          |                   |                   |                 |              |               |                 |
| Invested in capital assets, net of related debt    | 9,929,167    | 22,073    | 1,184,563                                    | 4,695                            | 26,256         |                             | 589,469                     | 672,276         | 3,437,216                |                   | 341,881           |                 |              | 16,207,596    |                 |
| Restricted                                         |              |           |                                              |                                  | 332,057        |                             |                             |                 |                          |                   |                   |                 |              | 332,057       |                 |
| Unrestricted                                       | 1,655,192    | 40,286    | 5,239,150                                    | 149,517                          | 492,327        |                             | 227,401                     | 145,493         | 337,083                  | (15,937)          | 81,349            |                 |              | 8,351,861     |                 |
| Total net assets                                   | 11,584,359   | 62,359    | 6,423,713                                    | 154,212                          | 850,640        |                             | 816,870                     | 817,769         | 3,774,299                | (15,937)          | 423,230           |                 |              | 24,891,514    |                 |
|                                                    | \$12,029,767 | \$ 84,909 | \$ 6,482,770                                 | \$ 208,205                       | \$ 914,361     |                             | \$ 876,924                  | \$ 822,164      | \$ 4,155,879             | \$ 8,642          | \$ 423,230        |                 | \$ (598,925) | \$ 25,407,926 |                 |

Housing Authority of Billings, Montana  
Balance Sheets by Program  
June 30, 2009  
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| Assets                                               | AMP-1        | COCC      | Housing Assistance Payments Program D-76-040 | Section 8 Contract Administrator |                |                             | HAB Development Corporation |                 |                          |            | Shelter Plus Care | Office Building | Elimination | Total         |
|------------------------------------------------------|--------------|-----------|----------------------------------------------|----------------------------------|----------------|-----------------------------|-----------------------------|-----------------|--------------------------|------------|-------------------|-----------------|-------------|---------------|
|                                                      |              |           |                                              | State Certificates               | Local Vouchers | Public Housing Capital Fund | Spring Gardens              | Old Town Square | New Heights Developments |            |                   |                 |             |               |
| Current Assets                                       |              |           |                                              |                                  |                |                             |                             |                 |                          |            |                   |                 |             |               |
| Cash and cash equivalents                            | \$ 667,040   | \$ 33,128 | \$ 21,750                                    | \$ -                             | \$ 218,111     | \$ -                        | \$ 152,204                  | \$ 68,920       | \$ -                     | \$ 765,360 | \$ 4,871          | \$ -            | \$ -        | \$ 1,931,384  |
| Restricted cash                                      | 33,324       | -         | -                                            | -                                | 31,875         | -                           | -                           | -               | -                        | -          | -                 | -               | -           | 65,199        |
| Receivables                                          |              |           |                                              |                                  |                |                             |                             |                 |                          |            |                   |                 |             |               |
| Due from Department of Housing and Urban Development | 191,536      | -         | -                                            | -                                | -              | -                           | -                           | -               | -                        | -          | -                 | -               | -           | 191,536       |
| Due from City Community Development                  | 6,292        | -         | 488                                          | 885                              | 1,382          | -                           | 145                         | 145             | -                        | -          | -                 | -               | -           | 6,292         |
| Interest                                             | 17,955       | -         | -                                            | -                                | 16,054         | -                           | -                           | -               | -                        | -          | -                 | -               | -           | 21,000        |
| Other                                                | 13,199       | -         | -                                            | -                                | -              | -                           | -                           | -               | -                        | -          | -                 | -               | -           | 29,253        |
| Allowance for doubtful accounts                      | (570)        | -         | -                                            | -                                | -              | -                           | -                           | -               | -                        | -          | -                 | -               | -           | (570)         |
| Investments                                          |              |           |                                              |                                  |                |                             |                             |                 |                          |            |                   |                 |             |               |
| Certificates of deposit                              | 1,171,153    | -         | 166,822                                      | 203,472                          | 350,844        | -                           | 72,985                      | 72,985          | -                        | -          | -                 | -               | -           | 2,038,261     |
| Certificates of deposit - restricted                 | -            | -         | -                                            | -                                | 272,180        | -                           | -                           | -               | -                        | -          | -                 | -               | -           | 272,180       |
| Trust Custody Account                                | 111,718      | -         | 4,903,162                                    | -                                | -              | -                           | 4,135                       | -               | -                        | -          | -                 | -               | -           | 4,903,162     |
| Due from other programs                              | 2,000        | -         | 326,659                                      | -                                | -              | -                           | -                           | -               | -                        | -          | -                 | 55,643          | (498,155)   | 4,903,162     |
| Prepaid expenses                                     | -            | -         | -                                            | -                                | -              | -                           | -                           | -               | -                        | -          | -                 | -               | -           | -             |
| Total current assets                                 | 2,213,647    | 33,128    | 5,418,881                                    | 204,357                          | 890,446        | -                           | 229,469                     | 142,050         | 765,360                  | 4,871      | 55,643            | (498,155)       | -           | 9,459,697     |
| Net Property and Equipment                           |              |           |                                              |                                  |                |                             |                             |                 |                          |            |                   |                 |             |               |
| Land                                                 | 1,746,757    | -         | 200,000                                      | -                                | -              | -                           | 1                           | -               | 337,934                  | -          | 50,000            | -               | -           | 2,334,692     |
| Buildings                                            | 11,199,141   | -         | 1,822,750                                    | -                                | -              | -                           | 832,698                     | 804,909         | -                        | -          | 224,001           | -               | -           | 14,883,499    |
| Building improvements                                | 7,289,794    | -         | 1,689,391                                    | -                                | -              | -                           | 175,645                     | 13,170          | -                        | -          | 464,977           | -               | -           | 9,632,977     |
| Equipment                                            | 704,216      | 121,927   | 79,754                                       | 9,368                            | 65,880         | -                           | 1,581                       | -               | -                        | -          | 4,543             | -               | -           | 987,269       |
| Construction in progress                             | 97,925       | -         | 19,449                                       | -                                | -              | -                           | -                           | -               | 722,017                  | -          | -                 | -               | -           | 839,391       |
| Accumulated depreciation                             | (21,037,833) | (91,984)  | (3,811,344)                                  | (3,984)                          | (32,211)       | -                           | (1,009,925)                 | (126,336)       | (1,059,951)              | -          | (370,779)         | -               | -           | (28,677,828)  |
|                                                      | (11,555,539) | 29,943    | 1,208,265                                    | 5,384                            | 33,669         | -                           | 670,222                     | 691,743         | 1,059,951                | -          | 372,742           | -               | -           | (15,123,615)  |
|                                                      | 9,482,294    | 63,071    | 6,627,146                                    | 209,741                          | 924,115        | \$ -                        | 899,691                     | \$ 833,793      | \$ 1,825,311             | \$ 4,871   | \$ 428,385        | \$ (498,155)    | \$ -        | \$ 23,013,910 |

**Housing Authority of Billings, Montana**  
**Balance Sheets by Program**  
**June 30, 2009**  
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|                                                                     | AMP-1         | COCC      | Housing Assistance Payments Program D-76-040 |                | Section 8 Contract Administrator |                | Public Housing Capital Fund |             |      |              | HAB Development Corporation |                |             |            | Shelter Plus Care | Office Building | Elimination   | Total |
|---------------------------------------------------------------------|---------------|-----------|----------------------------------------------|----------------|----------------------------------|----------------|-----------------------------|-------------|------|--------------|-----------------------------|----------------|-------------|------------|-------------------|-----------------|---------------|-------|
|                                                                     |               |           | State Certificates                           | Local Vouchers | State Certificates               | Local Vouchers | Spring Gardens              | Town Square | Old  | New          | Heights Developments        | Spring Gardens | Town Square | Old        |                   |                 |               |       |
| <b>Liabilities and Equity</b>                                       |               |           |                                              |                |                                  |                |                             |             |      |              |                             |                |             |            |                   |                 |               |       |
| <b>Current Liabilities</b>                                          |               |           |                                              |                |                                  |                |                             |             |      |              |                             |                |             |            |                   |                 |               |       |
| Current maturities of long-term debt                                | \$ 207,403    | -         | \$ 26,828                                    | -              | \$ 851                           | -              | \$ 6,027                    | 185         | -    | \$ 48,267    | -                           | -              | -           | \$ 6,027   | -                 | -               | \$ 284,326    |       |
| Accounts payable Due to Department of Housing and Urban Development | 48,033        | 9,395     | -                                            | -              | -                                | -              | -                           | -           | -    | -            | -                           | -              | -           | -          | -                 | -               | 48,033        |       |
| Insurance funds available for hail and pipe repair                  | 45,765        | 22,575    | -                                            | -              | -                                | -              | -                           | -           | -    | -            | -                           | -              | -           | -          | -                 | -               | -             |       |
| Due to other programs                                               | 39,414        | 10,488    | -                                            | -              | -                                | -              | -                           | -           | -    | -            | -                           | -              | -           | -          | -                 | -               | -             |       |
| Accrued liabilities                                                 | 70,992        | 21,750    | -                                            | -              | -                                | -              | -                           | -           | -    | -            | -                           | -              | -           | -          | -                 | -               | 113,744       |       |
| Security deposits                                                   |               |           |                                              |                |                                  |                |                             |             |      |              |                             |                |             |            |                   |                 | 98,492        |       |
| Total current liabilities                                           | 411,607       | 31,970    | 59,066                                       | 26,748         | 80,690                           | -              | 25,157                      | 8,318       | -    | 386,766      | 18,455                      | -              | -           | (498,155)  | -                 | -               | 550,622       |       |
| Long-Term Debt                                                      |               |           |                                              |                |                                  |                |                             |             |      |              |                             |                |             |            |                   |                 | 53,881        |       |
| FSS Escrow Obligations                                              | 35,993        | -         | -                                            | -              | 31,875                           | -              | -                           | -           | -    | -            | -                           | -              | -           | -          | -                 | -               | 67,868        |       |
| Total liabilities                                                   | 447,600       | 31,970    | 59,066                                       | 26,748         | 112,565                          | -              | 79,038                      | 8,318       | -    | 386,766      | 18,455                      | -              | -           | (498,155)  | -                 | -               | 672,371       |       |
| <b>Net Assets</b>                                                   |               |           |                                              |                |                                  |                |                             |             |      |              |                             |                |             |            |                   |                 |               |       |
| Invested in capital assets, net of related debt                     | 9,482,294     | 29,943    | 1,208,265                                    | 5,384          | 33,669                           | -              | 610,314                     | 691,743     | -    | 1,059,951    | -                           | -              | -           | -          | 372,742           | -               | 13,494,305    |       |
| Restricted                                                          | -             | -         | -                                            | -              | 272,180                          | -              | -                           | -           | -    | -            | -                           | -              | -           | -          | -                 | -               | 272,180       |       |
| Unrestricted                                                        | 1,766,047     | 1,158     | 5,359,815                                    | 177,609        | 505,701                          | -              | 210,339                     | 133,732     | -    | 378,594      | (13,584)                    | -              | -           | 55,643     | -                 | -               | 8,575,054     |       |
| Total net assets                                                    | 11,248,341    | 31,101    | 6,568,080                                    | 182,993        | 811,550                          | -              | 820,653                     | 825,475     | -    | 1,438,545    | (13,584)                    | -              | -           | 428,385    | -                 | -               | 22,341,539    |       |
|                                                                     | \$ 11,695,941 | \$ 63,071 | \$ 6,627,146                                 | \$ 209,741     | \$ 924,115                       | \$ -           | \$ 899,691                  | \$ 833,793  | \$ - | \$ 1,825,311 | \$ 4,871                    | \$ -           | \$ -        | \$ 428,385 | \$ -              | \$ -            | \$ 23,013,910 |       |

**Housing Authority of Billings, Montana**  
**Schedule of Revenue, Expenses and Changes in Net Assets by Program**  
**Year Ended June 30, 2010**  
**(Page 1 of 2)**

|                                                         | AMP-1                | COCC             | Section 8                                    |                        | HAB Development Corporation |                  |                   |                   | Shelter Plus Care   | Office Building    | Elimination       | Total                |
|---------------------------------------------------------|----------------------|------------------|----------------------------------------------|------------------------|-----------------------------|------------------|-------------------|-------------------|---------------------|--------------------|-------------------|----------------------|
|                                                         |                      |                  | Housing Assistance Payments Program D-76-040 | Contract Administrator | Public Housing Capital Fund | Spring Gardens   | Town Square       | Old Town Square   |                     |                    |                   |                      |
| <b>Operating Revenue</b>                                |                      |                  |                                              |                        |                             |                  |                   |                   |                     |                    |                   |                      |
| Housing assistance program receipts                     | \$ -                 | \$ -             | \$ 373,909                                   | \$ -                   | \$ 3,182,732                | \$ -             | \$ -              | \$ -              | \$ 95,617           | \$ -               | \$ -              | \$ 3,652,258         |
| Dwelling rental                                         | 605,161              | -                | 318,684                                      | -                      | -                           | -                | 71,158            | 34,225            | -                   | -                  | -                 | 1,042,578            |
| On-going grants                                         | 750,091              | -                | -                                            | -                      | 1,052,414                   | -                | -                 | -                 | -                   | -                  | -                 | 1,052,414            |
| Operating subsidy Administration fees                   | -                    | 249,459          | -                                            | 173,970                | -                           | -                | -                 | -                 | -                   | -                  | (249,459)         | 750,091              |
| <b>Total operating revenue</b>                          | <b>1,355,252</b>     | <b>249,459</b>   | <b>692,593</b>                               | <b>173,970</b>         | <b>3,182,732</b>            | <b>1,052,414</b> | <b>71,158</b>     | <b>34,225</b>     | <b>13,350</b>       | <b>-</b>           | <b>(249,459)</b>  | <b>6,671,311</b>     |
| <b>Operating Expenses</b>                               |                      |                  |                                              |                        |                             |                  |                   |                   |                     |                    |                   |                      |
| Occupancy and payments to landlords                     | 694,719              | 10,726           | 93,587                                       | 7,136                  | 2,719,403                   | -                | 31,015            | 21,422            | 15,131              | 91,946             | (48,000)          | 3,667,946            |
| Maintenance                                             | 441,143              | 33,153           | 130,411                                      | 28,677                 | 39,729                      | -                | 16,743            | 6,175             | 7,933               | -                  | (25,799)          | 689,142              |
| Administration                                          | 527,463              | 174,322          | 105,982                                      | 188,468                | 349,163                     | -                | 24,725            | 12,834            | 26,571              | 6,078              | (223,660)         | 1,192,531            |
| Utilities                                               | 170,225              | -                | 89,245                                       | -                      | -                           | -                | 5,240             | 2,452             | 1,554               | -                  | -                 | 279,448              |
| Tenant services                                         | 83,823               | -                | 36,890                                       | 13                     | 55,208                      | -                | -                 | -                 | -                   | -                  | -                 | 175,934              |
| Other                                                   | 11,659               | -                | -                                            | -                      | -                           | 123,116          | -                 | -                 | -                   | -                  | -                 | 134,775              |
| <b>Total operating expense</b>                          | <b>1,929,032</b>     | <b>218,201</b>   | <b>456,115</b>                               | <b>224,294</b>         | <b>3,163,503</b>            | <b>123,116</b>   | <b>77,723</b>     | <b>42,883</b>     | <b>51,189</b>       | <b>98,024</b>      | <b>(297,459)</b>  | <b>6,139,776</b>     |
| <b>Operating Income (Loss)</b>                          | <b>(573,780)</b>     | <b>31,258</b>    | <b>236,478</b>                               | <b>(50,324)</b>        | <b>19,229</b>               | <b>929,298</b>   | <b>(6,565)</b>    | <b>(8,658)</b>    | <b>(37,839)</b>     | <b>(2,407)</b>     | <b>48,000</b>     | <b>531,535</b>       |
| <b>Nonoperating Revenue</b>                             |                      |                  |                                              |                        |                             |                  |                   |                   |                     |                    |                   |                      |
| Interest and investment income                          | 13,016               | -                | 30,358                                       | 470                    | 8,110                       | -                | 1,415             | 518               | 41                  | 23                 | -                 | 53,951               |
| Other income (expense)                                  | (32,516)             | -                | 2,410                                        | -                      | 32,824                      | -                | 4,771             | 434               | 244,721             | 31                 | (48,000)          | 252,675              |
| Capital grant                                           | -                    | -                | -                                            | -                      | -                           | -                | -                 | -                 | 1,715,273           | -                  | -                 | 1,715,273            |
| Interest expense                                        | -                    | -                | -                                            | -                      | -                           | -                | (3,404)           | -                 | (55)                | -                  | -                 | (3,459)              |
| <b>Total nonoperating revenue</b>                       | <b>(19,500)</b>      | <b>-</b>         | <b>32,768</b>                                | <b>470</b>             | <b>40,934</b>               | <b>-</b>         | <b>2,782</b>      | <b>952</b>        | <b>1,959,980</b>    | <b>54</b>          | <b>(48,000)</b>   | <b>2,018,440</b>     |
| <b>Income (Loss) Before Contributions and Transfers</b> | <b>(593,280)</b>     | <b>31,258</b>    | <b>269,246</b>                               | <b>(49,854)</b>        | <b>60,163</b>               | <b>929,298</b>   | <b>(3,783)</b>    | <b>(7,706)</b>    | <b>1,922,141</b>    | <b>(2,353)</b>     | <b>-</b>          | <b>2,549,975</b>     |
| Transfers in                                            | 929,298              | -                | (413,613)                                    | 21,073                 | (21,073)                    | (929,298)        | -                 | -                 | 413,613             | -                  | (1,363,984)       | -                    |
| Transfers out                                           | -                    | -                | -                                            | -                      | -                           | -                | -                 | -                 | -                   | -                  | 1,363,984         | -                    |
| <b>Changes in Net Assets</b>                            | <b>336,018</b>       | <b>31,258</b>    | <b>(144,367)</b>                             | <b>(28,781)</b>        | <b>39,090</b>               | <b>-</b>         | <b>(3,783)</b>    | <b>(7,706)</b>    | <b>2,335,754</b>    | <b>(2,353)</b>     | <b>(5,155)</b>    | <b>2,549,975</b>     |
| <b>Net Assets, Beginning Of Year</b>                    | <b>11,248,341</b>    | <b>31,101</b>    | <b>6,568,080</b>                             | <b>182,993</b>         | <b>811,550</b>              | <b>-</b>         | <b>820,653</b>    | <b>825,475</b>    | <b>1,438,545</b>    | <b>(13,584)</b>    | <b>428,385</b>    | <b>22,341,539</b>    |
| <b>Net Assets, End Of Year</b>                          | <b>\$ 11,584,359</b> | <b>\$ 62,359</b> | <b>\$ 6,423,713</b>                          | <b>\$ 154,212</b>      | <b>\$ 850,640</b>           | <b>\$ -</b>      | <b>\$ 816,870</b> | <b>\$ 817,769</b> | <b>\$ 3,774,299</b> | <b>\$ (15,937)</b> | <b>\$ 423,230</b> | <b>\$ 24,891,514</b> |

**Housing Authority of Billings, Montana**  
**Schedule of Revenue, Expenses and Changes in Net Assets by Program**  
**Year Ended June 30, 2009**  
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|                                                         | AMP-1                | COCC             | Housing Assistance Payments Program D-76-040 | Section 8 Contract Administrator |                   |                             | Public Housing Capital Fund |                   |                          | HAB Development Corporation |                   |                 | Office Building  | Elimination          | Total            |
|---------------------------------------------------------|----------------------|------------------|----------------------------------------------|----------------------------------|-------------------|-----------------------------|-----------------------------|-------------------|--------------------------|-----------------------------|-------------------|-----------------|------------------|----------------------|------------------|
|                                                         |                      |                  |                                              | State Certificates               | Local Vouchers    | Public Housing Capital Fund | Spring Gardens              | Old Town Square   | New Heights Developments | Shelter Plus Care           |                   |                 |                  |                      |                  |
| <b>Operating Revenue</b>                                |                      |                  |                                              |                                  |                   |                             |                             |                   |                          |                             |                   |                 |                  |                      |                  |
| Housing assistance program receipts                     | \$ -                 | \$ -             | \$ 378,801                                   | \$ -                             | \$ 2,752,863      | \$ -                        | \$ -                        | \$ -              | \$ -                     | \$ -                        | \$ -              | \$ 54,404       | \$ -             | \$ -                 | \$ 3,186,068     |
| Dwelling rental                                         | 577,469              | -                | 296,575                                      | -                                | -                 | -                           | 71,417                      | -                 | 31,782                   | -                           | -                 | -               | -                | -                    | 977,243          |
| On-going grants                                         | -                    | -                | -                                            | -                                | -                 | 399,020                     | -                           | -                 | -                        | -                           | -                 | -               | -                | -                    | 399,020          |
| Operating subsidy Administration fees                   | 694,584              | -                | -                                            | -                                | -                 | -                           | -                           | -                 | -                        | -                           | -                 | -               | -                | -                    | 694,584          |
|                                                         | -                    | 220,754          | -                                            | 161,162                          | -                 | -                           | -                           | -                 | -                        | -                           | -                 | -               | (220,754)        | -                    | 161,162          |
| <b>Total operating revenue</b>                          | <b>1,272,053</b>     | <b>220,754</b>   | <b>675,376</b>                               | <b>161,162</b>                   | <b>2,752,863</b>  | <b>399,020</b>              | <b>71,417</b>               | <b>31,782</b>     | <b>-</b>                 | <b>-</b>                    | <b>54,404</b>     | <b>-</b>        | <b>(220,754)</b> | <b>-</b>             | <b>5,418,077</b> |
| <b>Operating Expenses</b>                               |                      |                  |                                              |                                  |                   |                             |                             |                   |                          |                             |                   |                 |                  |                      |                  |
| Occupancy and payments to landlords                     | 693,257              | 12,249           | 471,491                                      | 7,058                            | 2,721,757         | -                           | 30,982                      | 21,259            | -                        | -                           | 57,739            | 32,886          | (48,000)         | -                    | 4,000,678        |
| Maintenance Administration                              | 427,106              | 32,193           | 161,727                                      | 31,021                           | 43,986            | -                           | 17,150                      | 6,564             | 35                       | -                           | -                 | 7,386           | (26,754)         | 700,414              |                  |
| Utilities                                               | 479,917              | 173,002          | 104,985                                      | 164,743                          | 318,234           | -                           | 24,599                      | 12,046            | 255                      | -                           | 7,027             | 1,440           | (194,000)        | 1,092,248            |                  |
| Tenant services                                         | 160,466              | -                | 99,177                                       | -                                | 6,164             | -                           | 6,164                       | 2,233             | 235                      | -                           | -                 | 11,343          | -                | 279,618              |                  |
| Other                                                   | 99,121               | -                | 45,961                                       | 41                               | 75,519            | -                           | -                           | -                 | -                        | -                           | -                 | -               | -                | 220,642              |                  |
|                                                         | 10,000               | -                | -                                            | -                                | 89,225            | -                           | -                           | -                 | -                        | -                           | -                 | -               | -                | 99,225               |                  |
| <b>Total operating expense</b>                          | <b>1,869,867</b>     | <b>217,444</b>   | <b>883,341</b>                               | <b>202,863</b>                   | <b>3,159,496</b>  | <b>89,225</b>               | <b>78,895</b>               | <b>42,102</b>     | <b>525</b>               | <b>-</b>                    | <b>64,766</b>     | <b>53,055</b>   | <b>(268,754)</b> | <b>-</b>             | <b>6,392,825</b> |
| <b>Operating Income (Loss)</b>                          | <b>(597,814)</b>     | <b>3,310</b>     | <b>(207,965)</b>                             | <b>(41,701)</b>                  | <b>(406,633)</b>  | <b>309,795</b>              | <b>(7,478)</b>              | <b>(10,320)</b>   | <b>(525)</b>             | <b>(10,362)</b>             | <b>(53,055)</b>   | <b>48,000</b>   | <b>-</b>         | <b>-</b>             | <b>(974,748)</b> |
| <b>Nonoperating Revenue</b>                             |                      |                  |                                              |                                  |                   |                             |                             |                   |                          |                             |                   |                 |                  |                      |                  |
| Interest and investment income                          | 38,312               | -                | 145,144                                      | 4,186                            | 18,638            | -                           | 3,102                       | 1,615             | (61)                     | -                           | -                 | -               | -                | -                    | 210,936          |
| Other income (expense)                                  | (17,307)             | -                | 7,246                                        | -                                | 47,430            | -                           | 5,012                       | 56                | 217,310                  | 20                          | 48,000            | (48,000)        | -                | 259,767              |                  |
| Interest expense                                        | -                    | -                | -                                            | -                                | -                 | -                           | (3,811)                     | -                 | -                        | -                           | -                 | -               | -                | (3,811)              |                  |
| <b>Total nonoperating revenue</b>                       | <b>21,005</b>        | <b>-</b>         | <b>152,390</b>                               | <b>4,186</b>                     | <b>66,068</b>     | <b>-</b>                    | <b>4,303</b>                | <b>1,671</b>      | <b>217,249</b>           | <b>20</b>                   | <b>48,000</b>     | <b>(48,000)</b> | <b>-</b>         | <b>466,892</b>       |                  |
| <b>Income (Loss) Before Contributions and Transfers</b> | <b>(576,809)</b>     | <b>3,310</b>     | <b>(55,575)</b>                              | <b>(37,515)</b>                  | <b>(340,565)</b>  | <b>309,795</b>              | <b>(3,175)</b>              | <b>(8,649)</b>    | <b>216,724</b>           | <b>(10,342)</b>             | <b>(5,055)</b>    | <b>-</b>        | <b>-</b>         | <b>(507,856)</b>     |                  |
| <b>Transfers in</b>                                     |                      |                  |                                              |                                  |                   |                             |                             |                   |                          |                             |                   |                 |                  |                      |                  |
| Transfers out                                           | 309,795              | -                | (1,221,821)                                  | 21,073                           | (21,073)          | (309,795)                   | -                           | -                 | 1,221,821                | -                           | -                 | (1,552,689)     | -                | -                    |                  |
| <b>Changes in Net Assets</b>                            | <b>(267,014)</b>     | <b>3,310</b>     | <b>(1,277,396)</b>                           | <b>(16,442)</b>                  | <b>(361,638)</b>  | <b>-</b>                    | <b>(3,175)</b>              | <b>(8,649)</b>    | <b>1,438,545</b>         | <b>(10,342)</b>             | <b>(5,055)</b>    | <b>-</b>        | <b>-</b>         | <b>(507,856)</b>     |                  |
| <b>Net Assets, Beginning of Year</b>                    | <b>11,515,355</b>    | <b>27,791</b>    | <b>7,845,476</b>                             | <b>199,435</b>                   | <b>1,173,188</b>  | <b>-</b>                    | <b>823,828</b>              | <b>834,124</b>    | <b>-</b>                 | <b>(3,242)</b>              | <b>433,440</b>    | <b>-</b>        | <b>-</b>         | <b>22,849,395</b>    |                  |
| <b>Net Assets, End of Year</b>                          | <b>\$ 11,248,341</b> | <b>\$ 31,101</b> | <b>\$ 6,568,080</b>                          | <b>\$ 182,993</b>                | <b>\$ 811,550</b> | <b>\$ -</b>                 | <b>\$ 820,653</b>           | <b>\$ 825,475</b> | <b>\$ 1,438,545</b>      | <b>\$ (13,584)</b>          | <b>\$ 428,385</b> | <b>\$ -</b>     | <b>\$ -</b>      | <b>\$ 22,341,539</b> |                  |

Housing Authority of Billings, Montana  
Financial Data Schedule  
June 30, 2010  
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| Line    | Description                                                      | App 1        | Capital Fund | COCC      | HAB DEV    | OTS        | Westchester | WT Square  | WT Run       | Office Bldg | DOC        | PV           | SHELTER  | Voucher    | Elimination  | Total         |
|---------|------------------------------------------------------------------|--------------|--------------|-----------|------------|------------|-------------|------------|--------------|-------------|------------|--------------|----------|------------|--------------|---------------|
| 111     | Cash-unrestricted                                                | \$ 656,249   | \$ -         | \$ 9,615  | \$ 156,669 | \$ 76,113  | \$ 101,816  | \$ 1,626   | \$ 398,655   | \$ -        | \$ -       | \$ 276,415   | \$ 8,532 | \$ 166,569 | \$ -         | \$ 1,852,279  |
| 112     | Cash-restricted-modernization and development                    | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 113     | Cash-restricted                                                  | 12,864       | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | 36,426     | -            | 49,290        |
| 114     | Cash-tenant security deposits                                    | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 115     | Cash - Restricted for payment of current liability               | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 100     | <b>Total Cash</b>                                                | \$ 669,113   | \$ -         | \$ 9,615  | \$ 156,669 | \$ 76,113  | \$ 101,816  | \$ 1,626   | \$ 398,655   | \$ -        | \$ -       | \$ 276,415   | \$ 8,532 | \$ 203,015 | \$ -         | \$ 1,901,569  |
| 121     | Accounts receivable - PHA projects                               | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 122-010 | Accounts receivable - HUD other projects - Operating Subsidy     | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 122-020 | Accounts receivable - HUD other projects - Capital Fund          | 215,218      | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | 215,218       |
| 122-030 | Accounts receivable - HUD other projects - Other                 | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 122     | <b>Accounts receivable - HUD other projects</b>                  | 11,659       | -            | -         | -          | -          | -           | 216,566    | -            | -           | -          | -            | -        | -          | -            | 228,225       |
| 124     | Account receivable - other government                            | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 125-010 | Account receivable - miscellaneous - Not For Profit              | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 125-020 | Account receivable - miscellaneous - Partnership                 | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 125-030 | Account receivable - miscellaneous - Joint Venture               | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 125-040 | Account receivable - miscellaneous - Tax Credit                  | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 125-050 | Account receivable - miscellaneous - Other                       | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 125     | <b>Other Comment</b>                                             | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 125     | <b>Account receivable - miscellaneous</b>                        | 13,473       | -            | -         | (39)       | 127        | -           | -          | -            | -           | -          | 1,373        | 110      | -          | -            | 15,044        |
| 126     | Accounts receivable - tenants                                    | (570)        | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | (570)         |
| 126.1   | Allowance for doubtful accounts - tenants                        | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 126.2   | Allowance for doubtful accounts - other                          | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 127     | Notes, Loans, & Mortgages Receivable - Current                   | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 128     | Fraud recovery                                                   | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 128.1   | Allowance for doubtful accounts - fraud                          | 8,976        | -            | -         | 245        | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | 12,631        |
| 129     | Accrued interest receivable                                      | -            | -            | -         | 206        | 372        | -           | -          | 216,566      | -           | 38         | 396          | -        | 2,650      | -            | 12,550        |
| 120     | <b>Total receivables, net of allowance for doubtful accounts</b> | \$ 248,756   | \$ -         | \$ 62,836 | \$ 234,545 | \$ 149,888 | \$ 101,816  | \$ 1,626   | \$ 615,221   | \$ 81,349   | \$ 203,510 | \$ 5,298,208 | \$ 8,642 | \$ 888,105 | \$ (598,925) | \$ 9,147,421  |
| 131     | Investments - unrestricted                                       | \$ 1,180,731 | \$ -         | \$ -      | \$ 73,403  | \$ 73,403  | \$ -        | \$ -       | \$ -         | \$ -        | \$ 203,472 | \$ 4,600,422 | \$ -     | \$ 629,435 | \$ -         | \$ 6,760,866  |
| 132     | Investments - restricted                                         | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 135     | Investments - Restricted for payment of current liability        | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 142     | Prepaid expenses and other assets                                | 2,000        | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | 2,000         |
| 143     | Inventories                                                      | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 143.1   | Allowance for obsolete inventories                               | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 144     | Inter program - due from                                         | -            | -            | 53,221    | 4,267      | -          | -           | -          | -            | 81,349      | -          | 419,602      | -        | -          | -            | 40,486        |
| 145     | Assets held for sale                                             | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 130     | <b>Total Current Assets</b>                                      | \$ 2,100,600 | \$ -         | \$ 62,836 | \$ 234,545 | \$ 149,888 | \$ 101,816  | \$ 1,626   | \$ 615,221   | \$ 81,349   | \$ 203,510 | \$ 5,298,208 | \$ 8,642 | \$ 888,105 | \$ (598,925) | \$ 9,147,421  |
| 161     | Land                                                             | \$ 1,746,757 | \$ -         | \$ -      | \$ 1       | \$ -       | \$ 32,016   | \$ 253,918 | \$ 58,033    | \$ 50,000   | \$ -       | \$ 200,000   | \$ -     | \$ -       | \$ -         | \$ 2,340,725  |
| 162     | Buildings                                                        | 19,505,619   | -            | -         | 1,010,315  | 819,438    | 605,242     | -          | -            | 688,976     | -          | 3,464,974    | -        | -          | -            | 26,094,566    |
| 163     | Furniture, equipment and machinery - dwellings                   | 721,122      | -            | -         | 1,581      | -          | -           | -          | -            | -           | -          | 101,829      | -        | -          | -            | 824,332       |
| 164     | Furniture, equipment and machinery - administration              | -            | -            | 119,727   | -          | -          | -           | -          | -            | 4,543       | 10,769     | -            | -        | 66,826     | -            | 201,885       |
| 165     | Leasehold improvements                                           | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 166     | Accumulated depreciation                                         | (12,045,004) | -            | (97,654)  | (389,518)  | (147,162)  | (15,131)    | -          | -            | (401,640)   | (6,094)    | (2,617,822)  | -        | (40,570)   | -            | (15,740,595)  |
| 167     | Construction in progress                                         | 673          | -            | -         | -          | -          | -           | 609,884    | 1,893,254    | -           | -          | 35,782       | -        | -          | -            | 2,539,593     |
| 168     | Infrastructure                                                   | -            | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 160     | <b>Total capital assets, net of accumulated depreciation</b>     | \$ 9,929,167 | \$ -         | \$ 22,073 | \$ 642,379 | \$ 672,276 | \$ 622,127  | \$ 863,802 | \$ 1,951,287 | \$ 341,881  | \$ 4,695   | \$ 1,194,563 | \$ -     | \$ 26,256  | \$ -         | \$ 16,260,506 |

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| Line    | Description                                                                    | Amp 1         | Capital Fund | COCC      | HAB DEV    | OTS        | Westchester | WT Square  | WT Run       | Office Bltg | DOC        | PV           | SHELTER  | Voucher    | Elimination  | Total         |
|---------|--------------------------------------------------------------------------------|---------------|--------------|-----------|------------|------------|-------------|------------|--------------|-------------|------------|--------------|----------|------------|--------------|---------------|
| 171-010 | Notes, Loans, & mortgages receivable - Non-current - Not For Profit            | \$ -          | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -       | \$ -         | \$ -     | \$ -       | \$ -         | \$ -          |
| 171-020 | Notes, Loans, & mortgages receivable - Non-current - Partnership               | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 171-030 | Notes, Loans, & mortgages receivable - Non-current - Joint Venture             | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 171-040 | Notes, Loans, & mortgages receivable - Non-current - Tax Credit                | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 171-050 | Notes, Loans, & mortgages receivable - Non-current - Other                     | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
|         | Other Comment                                                                  | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 171     | Notes, Loans, & mortgages receivable - Non-current                             | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 172-010 | Notes, Loans, & mortgages receivable - Non-current - past due - Not For Profit | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 172-020 | Notes, Loans, & mortgages receivable - Non-current - Partnership               | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 172-030 | Notes, Loans, & mortgages receivable - Non-current - Joint Venture             | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 172-040 | Notes, Loans, & mortgages receivable - Non-current - Tax Credit                | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 172-050 | Notes, Loans, & mortgages receivable - Non-current - Other                     | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
|         | Other Comment                                                                  | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 172     | Notes, Loans, & mortgages receivable - Non-current - past due                  | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 173     | Grants receivable - Non-current                                                | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 174-010 | Other assets - Not For Profit                                                  | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 174-020 | Other assets - Partnership                                                     | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 174-030 | Other assets - Joint Venture                                                   | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 174-040 | Other assets - Tax Credit                                                      | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 174-050 | Other assets - Other                                                           | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
|         | Other Comment                                                                  | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 174     | Other assets                                                                   | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 176-010 | Investment in Joint venture - Not For Profit                                   | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 176-020 | Investment in Joint venture - Partnership                                      | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 176-030 | Investment in Joint venture - Joint Venture                                    | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 176-040 | Investment in Joint venture - Tax Credit                                       | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 176-050 | Investment in Joint venture - Other                                            | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
|         | Other Comment                                                                  | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 176     | Investment in joint venture                                                    | -             | -            | -         | -          | -          | -           | -          | -            | -           | -          | -            | -        | -          | -            | -             |
| 180     | Total Non-current Assets                                                       | \$ -          | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -       | \$ -         | \$ -     | \$ -       | \$ -         | \$ -          |
| 190     | Total Assets                                                                   | \$ 12,029,767 | \$ -         | \$ 84,909 | \$ 876,924 | \$ 822,164 | \$ 723,943  | \$ 865,428 | \$ 2,566,508 | \$ 423,230  | \$ 208,205 | \$ 6,482,771 | \$ 8,642 | \$ 914,361 | \$ (598,925) | \$ 25,407,927 |

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| Line    | Description                                                                 | Amp 1         | Capital Fund | COCC      | HAB DEV    | OTS        | Westchester | WT Square   | WT Run       | Office Bldg | DOC        | PV           | SHELTER     | Voucher    | Elimination  | Total         |
|---------|-----------------------------------------------------------------------------|---------------|--------------|-----------|------------|------------|-------------|-------------|--------------|-------------|------------|--------------|-------------|------------|--------------|---------------|
| 311     | Bank overdraft                                                              | \$ 110,761    |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 312     | Accounts payable <= 90 days                                                 |               |              | 115       | 836        | 182        | 796         |             |              |             |            | 19,050       |             | 523        |              | 132,263       |
| 313     | Accounts payable > 90 days past due                                         |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 321     | Accrued wage/payroll taxes payable                                          |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 322     | Accrued compensated absences - current portion                              | 42,311        |              | 22,435    | 2,308      | 1,454      | 405         |             |              |             | 12,214     | 16,069       | 515         | 26,774     |              | 124,485       |
| 324     | Accrued contingency liability                                               |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 325     | Accrued interest payable                                                    |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 331-010 | Accounts payable - HUD PHA Programs - Operating Subsidy                     |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 331-020 | Accounts payable - HUD PHA Programs - Capital fund                          |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 331     | Accounts payable - HUD PHA Programs                                         |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 332     | Accounts payable - PHA Projects                                             |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 333     | Accounts payable - other government                                         |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 341     | Tenant security deposits                                                    | 78,745        |              |           | 4,000      | 2,000      | 750         |             |              |             |            | 23,940       |             |            |              | 109,435       |
| 342-010 | Deferred revenue - Operating Subsidy                                        |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 342-020 | Deferred revenue - Capital fund                                             |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 342-030 | Deferred revenue - Other                                                    |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 342     | Deferred revenue                                                            |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 343-010 | CFPP                                                                        |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 343-020 | Capital Projects/ Mortgage Revenue                                          |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 343     | Current portion of long-term debt - capital projects/mortgage revenue bonds |               |              |           | 6,027      |            |             |             |              |             |            |              |             |            |              | 6,027         |
| 344     | Current portion of long-term debt - operating borrowings                    |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 345     | Other current liabilities                                                   |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 346     | Accrued liabilities - other                                                 | 48,033        |              |           |            |            |             |             |              |             |            |              |             |            |              | 48,033        |
| 347     | Inter program - due to                                                      | 152,693       |              |           |            |            |             |             | 370,999      |             | 41,779     |              | 24,065      |            | (598,925)    |               |
| 348-010 | Loan liability - current - Not For Profit                                   |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 348-020 | Loan liability - current - Partnership                                      |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 348-030 | Loan liability - current - Joint Venture                                    |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 348-040 | Loan liability - current - Tax Credit                                       |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 348-050 | Loan liability - current - Other                                            |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 348     | Loan liability - current                                                    |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 310     | Total Current Liabilities                                                   | \$ 432,543    |              | \$ 22,550 | \$ 13,171  | \$ 4,395   | \$ 105,962  | \$ (95,381) | \$ 370,999   | \$ 24,560   | \$ 53,993  | \$ 59,059    | \$ 24,560   | \$ 27,297  | \$ (598,925) | \$ 420,243    |
| 351-010 | Long-term debt - CFPP                                                       |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 351-020 | Long-term - Capital Projects/ Mortgage Revenue                              |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 351     | Capital Projects/ Mortgage Revenue Bonds                                    |               |              |           | 46,883     |            |             |             |              |             |            |              |             |            |              | 46,883        |
| 352     | Long-term debt, net of current - operating borrowings                       |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 353     | Non-current liabilities - other                                             | 12,864        |              |           |            |            |             |             |              |             |            |              |             | 36,426     |              | 49,290        |
| 354     | Accrued compensated absences- Non-current                                   |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 355-010 | Loan liability - Non-current - Not For Profit                               |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 355-020 | Loan liability - Non-current - Partnership                                  |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 355-030 | Loan liability - Non-current - Joint Venture                                |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 355-040 | Loan liability - Non-current - Tax Credit                                   |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 355-050 | Loan liability - Non-current - Other                                        |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 355     | Other Comment                                                               |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 356     | Loan liability - Non-current                                                |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 357     | FASB 5 Liabilities                                                          |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 357     | Accrued Pension and OPEB Liability                                          |               |              |           |            |            |             |             |              |             |            |              |             |            |              |               |
| 350     | Total Non-Current Liabilities                                               | \$ 12,864     |              |           | \$ 46,883  |            |             |             |              |             |            |              |             | \$ 36,426  |              | \$ 96,173     |
| 300     | Total Liabilities                                                           | \$ 445,407    |              | \$ 22,550 | \$ 60,054  | \$ 4,395   | \$ 105,962  | \$ (95,381) | \$ 370,999   | \$ 24,560   | \$ 53,993  | \$ 59,059    | \$ 24,560   | \$ 63,723  | \$ (598,925) | \$ 516,416    |
| 508.1   | Invested in capital assets, net of related debt                             | \$ 9,929,167  |              | \$ 22,073 | \$ 589,469 | \$ 672,276 | \$ 622,127  | \$ 863,802  | \$ 1,951,287 | \$ 341,881  | \$ 4,695   | \$ 1,184,563 |             | \$ 26,256  |              | \$ 16,207,596 |
| 511.1   | Restricted Net Assets                                                       |               |              |           |            |            |             |             |              |             |            |              |             |            |              | 332,057       |
| 512.1   | Unrestricted Net Assets                                                     | 1,655,193     |              | 40,286    | 227,401    | 145,493    | (4,146)     | 97,007      | 244,222      | 81,349      | 149,517    | 5,239,149    | (15,938)    | 492,323    |              | 8,351,958     |
| 513     | Total Equity/Net Assets                                                     | \$ 11,594,360 |              | \$ 62,359 | \$ 816,870 | \$ 817,769 | \$ 617,981  | \$ 960,809  | \$ 2,195,509 | \$ 423,230  | \$ 154,212 | \$ 6,423,712 | \$ (15,938) | \$ 650,638 |              | \$ 24,691,511 |
| 600     | Total Liabilities and Equity/Net assets                                     | \$ 12,029,767 |              | \$ 84,909 | \$ 876,924 | \$ 822,164 | \$ 723,943  | \$ 865,428  | \$ 2,566,508 | \$ 423,230  | \$ 208,205 | \$ 6,482,771 | \$ 8,642    | \$ 914,361 | \$ (598,925) | \$ 25,407,927 |

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| Line      | Description                                       | Amp 1        | Capital Fund | COCC       | HAB DEV   | OTS       | Westchester | WT Square  | WT Run       | Office Blgd | DOC        | PV         | SHELTER   | Voucher      | Elimination  | Total        |
|-----------|---------------------------------------------------|--------------|--------------|------------|-----------|-----------|-------------|------------|--------------|-------------|------------|------------|-----------|--------------|--------------|--------------|
| 70300     | Net tenant rental revenue                         | \$ 605,161   | \$ -         | \$ -       | \$ -      | \$ -      | \$ 13,350   | \$ -       | \$ -         | \$ -        | \$ -       | \$ 318,684 | \$ -      | \$ -         | \$ -         | \$ 1,042,978 |
| 70400     | Tenant revenue - other                            | 14,151       | -            | -          | 4,771     | 434       | 34          | -          | -            | -           | -          | 7,774      | -         | -            | -            | 27,164       |
| 70500     | Total Tenant Revenue                              | \$ 619,312   | \$ -         | \$ -       | \$ 75,929 | \$ 34,659 | \$ 13,384   | \$ -       | \$ -         | \$ -        | \$ -       | \$ 326,458 | \$ -      | \$ -         | \$ -         | \$ 1,069,142 |
| 70600-010 | Housing assistance payments                       | \$ -         | \$ -         | \$ -       | \$ -      | \$ -      | \$ -        | \$ -       | \$ -         | \$ -        | \$ -       | \$ 373,909 | \$ -      | \$ 2,736,557 | \$ -         | \$ 3,110,466 |
| 70600-020 | Ongoing administrative fees earned                | -            | -            | -          | -         | -         | -           | -          | -            | -           | -          | -          | -         | 405,733      | -            | 405,733      |
| 70600-030 | FSS Coordinator                                   | -            | -            | -          | -         | -         | -           | -          | -            | -           | -          | -          | -         | 40,442       | -            | 40,442       |
| 70600-040 | Actual independent public accountant audit costs  | -            | -            | -          | -         | -         | -           | -          | -            | -           | -          | -          | -         | -            | -            | -            |
| 70600-050 | Total preliminary fees earned                     | -            | -            | -          | -         | -         | -           | -          | -            | -           | -          | -          | -         | -            | -            | -            |
| 70600-060 | Interest earned on advances                       | -            | -            | -          | -         | -         | -           | -          | -            | -           | -          | -          | -         | -            | -            | -            |
| 70600-070 | Admin fee calculation description                 | -            | -            | -          | -         | -         | -           | -          | -            | -           | -          | -          | -         | -            | -            | -            |
| 70600     | HUD PHA operating grants                          | \$ 750,091   | \$ 123,116   | \$ -       | \$ -      | \$ -      | \$ -        | \$ -       | \$ -         | \$ -        | \$ -       | \$ -       | \$ 95,617 | \$ -         | \$ -         | \$ 968,824   |
| 70610     | Capital grants                                    | \$ -         | \$ 929,299   | \$ -       | \$ -      | \$ -      | \$ -        | \$ -       | \$ -         | \$ -        | \$ -       | \$ -       | \$ -      | \$ -         | \$ -         | \$ 929,299   |
| 70710     | Management Fee                                    | \$ -         | \$ -         | \$ 199,000 | \$ -      | \$ -      | \$ -        | \$ -       | \$ -         | \$ -        | \$ -       | \$ -       | \$ -      | \$ -         | \$ (199,000) | \$ -         |
| 70720     | Asset Management Fee                              | -            | -            | -          | -         | -         | -           | -          | -            | -           | -          | -          | -         | -            | -            | -            |
| 70730     | Book-Keeping Fee                                  | -            | -            | 24,660     | -         | -         | -           | -          | -            | -           | -          | -          | -         | -            | (24,660)     | -            |
| 70740     | Front Line Service Fee                            | -            | -            | 25,799     | -         | -         | -           | -          | -            | -           | -          | -          | -         | -            | (25,799)     | -            |
| 70750     | Other Fees                                        | -            | -            | -          | -         | -         | -           | -          | -            | -           | -          | -          | -         | -            | -            | -            |
| 70700     | Total Fee Revenue                                 | \$ -         | \$ -         | \$ 249,459 | \$ -      | \$ -      | \$ -        | \$ -       | \$ -         | \$ -        | \$ -       | \$ -       | \$ -      | \$ -         | \$ (249,459) | \$ -         |
| 70800     | Other government grants                           | \$ 11,659    | \$ -         | \$ -       | \$ -      | \$ -      | \$ 42,470   | \$ 202,220 | \$ 1,715,270 | \$ -        | \$ -       | \$ -       | \$ -      | \$ -         | \$ -         | \$ 1,971,619 |
| 71100-010 | Housing Assistance Payment                        | -            | -            | -          | -         | -         | -           | -          | -            | -           | -          | -          | -         | 8,110        | -            | 8,110        |
| 71100-020 | Administrative Fee                                | -            | -            | -          | -         | -         | -           | -          | -            | -           | -          | -          | -         | -            | -            | -            |
| 71100     | Investment income - unrestricted                  | 13,016       | -            | -          | 1,415     | 518       | 41          | -          | -            | -           | 470        | 30,358     | 23        | -            | -            | 45,841       |
| 71200     | Mortgage interest income                          | -            | -            | -          | -         | -         | -           | -          | -            | -           | -          | -          | -         | -            | -            | -            |
| 71300     | Proceeds from disposition of assets held for sale | -            | -            | -          | -         | -         | -           | -          | -            | -           | -          | -          | -         | -            | -            | -            |
| 71310     | Cost of sale of assets                            | -            | -            | -          | -         | -         | -           | -          | -            | -           | -          | -          | -         | -            | -            | -            |
| 71400-010 | Housing Assistance Payment                        | -            | -            | -          | -         | -         | -           | -          | -            | -           | -          | -          | -         | 15,657       | -            | 15,657       |
| 71400-020 | Administrative Fee                                | -            | -            | -          | -         | -         | -           | -          | -            | -           | -          | -          | -         | 15,657       | -            | 15,657       |
| 71400     | Fraud recovery                                    | -            | -            | -          | -         | -         | -           | -          | -            | -           | -          | -          | -         | -            | -            | -            |
| 71500     | Other revenue                                     | -            | -            | -          | -         | -         | -           | -          | -            | 48,000      | 173,970    | -          | 31        | 2,532        | (48,000)     | 176,533      |
| 71600     | Gain or loss on sale of capital assets            | (58,392)     | -            | -          | -         | -         | -           | -          | -            | -           | -          | (5,364)    | -         | -            | -            | (63,756)     |
| 72000-010 | Housing Assistance Payment                        | -            | -            | -          | -         | -         | -           | -          | -            | -           | -          | -          | -         | -            | -            | -            |
| 72000-020 | Administrative Fee                                | -            | -            | -          | -         | -         | -           | -          | -            | -           | -          | -          | -         | -            | -            | -            |
| 72000     | Investment income - restricted                    | -            | -            | -          | -         | -         | -           | -          | -            | -           | -          | -          | -         | -            | -            | -            |
| 70000     | Total Revenue                                     | \$ 1,335,686 | \$ 1,052,415 | \$ 249,459 | \$ 77,344 | \$ 35,177 | \$ 55,895   | \$ 202,220 | \$ 1,715,270 | \$ 48,000   | \$ 174,440 | \$ 725,361 | \$ 95,671 | \$ 3,224,688 | \$ (297,459) | \$ 8,694,167 |

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| Line      | Description                                                                     | Amp 1      | Capital Fund | COCC       | HAB DEV   | OTS      | Westchester | WT Square | WT Run   | Office Bldg | DOC        | PV         | SHELTER  | Voucher    | Elimination  | Total      |
|-----------|---------------------------------------------------------------------------------|------------|--------------|------------|-----------|----------|-------------|-----------|----------|-------------|------------|------------|----------|------------|--------------|------------|
| 91100     | Administrative salaries                                                         | \$ 86,929  | \$ 24,362    | \$ 64,560  | \$ 5,809  | \$ 2,790 | \$ 1,348    | \$ -      | \$ -     | \$ -        | \$ 105,599 | \$ 24,472  | \$ 3,170 | \$ 171,922 | \$ -         | \$ 490,981 |
| 91200     | Auditing fees                                                                   | -          | 6,914        | 2,652      | 1,326     | 1,326    | 519         | -         | -        | -           | 1,326      | 1,326      | 535      | 3,976      | -            | 19,899     |
| 91300     | Management Fee                                                                  | 199,000    | -            | -          | -         | -        | -           | -         | -        | -           | -          | -          | -        | -          | (199,000)    | -          |
| 91310     | Book-keeping Fee                                                                | 24,680     | -            | -          | -         | -        | -           | -         | -        | -           | -          | -          | -        | -          | (24,680)     | -          |
| 91400     | Advertising and Marketing                                                       | 48,432     | 9,058        | 29,648     | 2,836     | 1,343    | 533         | -         | -        | -           | 40,247     | 9,671      | 1,705    | 78,543     | (48,000)     | 174,016    |
| 91500     | Employee benefit contributions - administrative                                 | 46,677     | 2,581        | 8,294      | 3,003     | 1,547    | 764         | 430       | 430      | 10,731      | 29,214     | 23,707     | 146      | 68,978     | -            | 196,072    |
| 91600     | Office Expenses                                                                 | 1,820      | 28           | 113        | 2         | 1        | -           | -         | -        | -           | 18         | 527        | -        | 29         | -            | 2,536      |
| 91700     | Legal Expense                                                                   | 2,456      | -            | 9,300      | 256       | 166      | 38          | 539       | 185      | -           | 2,165      | 1,997      | -        | 5,699      | -            | 22,803     |
| 91800     | Travel                                                                          | -          | -            | -          | -         | -        | -           | -         | -        | -           | -          | -          | -        | -          | -            | -          |
| 91810     | Allocated Overhead                                                              | 1,163      | 14,350       | 7,574      | 189       | 122      | 32          | 225       | 1,573    | 1           | 2,123      | 2,968      | -        | 5,801      | -            | 36,089     |
| 91900     | Other                                                                           | 411,137    | 57,291       | 122,161    | 13,423    | 7,295    | 3,234       | 764       | 2,188    | 10,732      | 180,691    | 64,636     | 5,556    | 334,948    | (271,660)    | 942,396    |
| 91000     | <b>Total Operating-Administrative</b>                                           | \$ 411,137 | \$ 57,291    | \$ 122,161 | \$ 13,423 | \$ 7,295 | \$ 3,234    | \$ 764    | \$ 2,188 | \$ 10,732   | \$ 180,691 | \$ 64,636  | \$ 5,556 | \$ 334,948 | \$ (271,660) | \$ 942,396 |
| 92000     | Asset Management Fee                                                            | -          | -            | -          | -         | -        | -           | -         | -        | -           | -          | -          | -        | -          | -            | -          |
| 92100     | Tenant services - salaries                                                      | 12,187     | -            | -          | -         | -        | -           | -         | -        | -           | -          | 29,460     | -        | 31,922     | -            | 73,569     |
| 92200     | Relocation Costs                                                                | 4,140      | -            | -          | -         | -        | -           | -         | -        | -           | -          | 4,516      | -        | 11,629     | -            | 20,285     |
| 92300     | Employee benefit contributions - tenant services                                | 17,965     | -            | 90         | -         | -        | -           | -         | -        | -           | 13         | 13         | -        | 10,642     | -            | 30,791     |
| 92400     | Tenant services - other                                                         | 33,892     | -            | 90         | -         | -        | -           | -         | -        | -           | -          | 36,457     | -        | 54,193     | -            | 124,645    |
| 92500     | <b>Total Tenant Services</b>                                                    | \$ 134,115 | \$ -         | \$ -       | \$ 2,940  | \$ 1,459 | \$ 1,509    | \$ -      | \$ -     | \$ -        | \$ -       | \$ 8,429   | \$ -     | \$ -       | \$ -         | \$ 148,452 |
| 93100     | Water                                                                           | 25,008     | -            | -          | 2,111     | 979      | 23          | -         | -        | -           | -          | 73,730     | -        | -          | -            | 101,851    |
| 93200     | Electricity                                                                     | 11,102     | -            | -          | 189       | 14       | 22          | -         | -        | -           | -          | 7,086      | -        | -          | -            | 18,413     |
| 93300     | Gas                                                                             | -          | -            | -          | -         | -        | -           | -         | -        | -           | -          | -          | -        | -          | -            | -          |
| 93400     | Fuel                                                                            | -          | -            | -          | -         | -        | -           | -         | -        | -           | -          | -          | -        | -          | -            | -          |
| 93500     | Labor                                                                           | -          | -            | -          | -         | -        | -           | -         | -        | -           | -          | -          | -        | -          | -            | -          |
| 93600     | Sewer                                                                           | -          | -            | -          | -         | -        | -           | -         | -        | -           | -          | -          | -        | -          | -            | -          |
| 93700     | Employee benefit contributions - utilities                                      | -          | -            | -          | -         | -        | -           | -         | -        | -           | -          | -          | -        | -          | -            | -          |
| 93750     | HAP Portability-In                                                              | -          | -            | -          | -         | -        | -           | -         | -        | -           | -          | -          | -        | -          | -            | -          |
| 93800     | Other utilities expense                                                         | -          | -            | -          | -         | -        | -           | -         | -        | -           | -          | -          | -        | -          | -            | -          |
| 93000     | <b>Total Utilities</b>                                                          | \$ 170,225 | \$ -         | \$ -       | \$ 5,240  | \$ 2,452 | \$ 1,554    | \$ -      | \$ -     | \$ -        | \$ -       | \$ 89,245  | \$ -     | \$ -       | \$ -         | \$ 268,716 |
| 94100     | Ordinary maintenance and operations - labor                                     | 162,735    | -            | 24,469     | 6,627     | 2,262    | 698         | -         | -        | 4,396       | 15,983     | 47,569     | -        | 20,068     | -            | 284,807    |
| 94200     | Ordinary maintenance and operations - materials and other                       | 56,555     | -            | 432        | 353       | 898      | 5,796       | -         | -        | 4,363       | 20,377     | 20,377     | -        | 7,720      | (25,799)     | 65,715     |
| 94300-010 | Ordinary Maintenance and Operations Contracts - Garbage and Trash Removal       | 22,183     | -            | -          | 1,390     | 43       | 311         | -         | -        | -           | 2,435      | -          | -        | -          | -            | 26,362     |
| 94300-020 | Ordinary Maintenance and Operations Contracts - Heating & Cooling Contracts     | 1,537      | -            | -          | 80        | 156      | -           | -         | -        | -           | 1,753      | -          | -        | -          | -            | 3,526      |
| 94300-030 | Ordinary Maintenance and Operations Contracts - Snow Removal Contracts          | -          | -            | -          | -         | -        | -           | -         | -        | -           | -          | -          | -        | -          | -            | -          |
| 94300-040 | Ordinary Maintenance and Operations Contracts - Elevator Maintenance Contracts  | 1,541      | -            | -          | -         | -        | -           | -         | -        | -           | -          | 2,400      | -        | -          | -            | 3,941      |
| 94300-050 | Ordinary Maintenance and Operations Contracts - Landscaping & Grounds Contracts | 26,319     | -            | -          | 1,010     | 657      | 505         | -         | -        | -           | 2,255      | -          | -        | -          | -            | 30,746     |
| 94300-060 | Ordinary Maintenance and Operations Contracts - Unit Turnaround Contracts       | -          | -            | -          | -         | -        | -           | -         | -        | -           | -          | -          | -        | -          | -            | -          |
| 94300-070 | Ordinary Maintenance and Operations Contracts - Electrical Contracts            | 566        | -            | -          | -         | -        | -           | -         | -        | -           | -          | -          | -        | -          | -            | 566        |
| 94300-080 | Ordinary Maintenance and Operations Contracts - Plumbing Contracts              | 3,515      | -            | -          | -         | -        | -           | -         | -        | -           | -          | 3,625      | -        | -          | -            | 7,140      |
| 94300-090 | Ordinary Maintenance and Operations Contracts - Extermination Contracts         | -          | -            | -          | -         | -        | -           | -         | -        | -           | -          | -          | -        | -          | -            | -          |
| 94300-100 | Ordinary Maintenance and Operations Contracts - Janitorial Contracts            | 6,234      | -            | -          | 690       | 90       | -           | -         | -        | -           | 2,426      | -          | -        | -          | -            | 9,440      |
| 94300-110 | Ordinary Maintenance and Operations Contracts - Routine Maintenance Contracts   | 18,906     | -            | -          | 176       | 921      | -           | -         | 119      | -           | 8,723      | -          | -        | -          | -            | 28,845     |
| 94300-120 | Ordinary Maintenance and Operations Contracts - Misc Contracts                  | -          | -            | -          | -         | -        | -           | -         | -        | -           | -          | -          | -        | -          | -            | -          |
| 94300     | <b>Ordinary Maintenance and Operations Contracts</b>                            | \$ 70,644  | \$ -         | \$ 17,214  | \$ 3,389  | \$ 1,059 | \$ 276      | \$ -      | \$ -     | \$ 2,079    | \$ 7,375   | \$ 23,889  | \$ -     | \$ 9,274   | \$ -         | \$ 135,199 |
| 94500     | Employee benefit contribution - ordinary maintenance                            | -          | -            | -          | -         | -        | -           | -         | -        | 10,977      | 23,358     | 115,452    | -        | 32,062     | (25,799)     | 596,287    |
| 94000     | <b>Total Maintenance</b>                                                        | \$ 370,735 | \$ -         | \$ 42,115  | \$ 13,715 | \$ 6,086 | \$ 7,586    | \$ -      | \$ -     | \$ 10,977   | \$ 23,358  | \$ 115,452 | \$ -     | \$ 32,062  | \$ (25,799)  | \$ 596,287 |

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| Line      | Description                                          | Amp 1               | Capital Fund      | COCC              | HAB DEV          | OTS              | Westchester      | WT Square         | WT Run              | Office Bldg      | DOC                | PV                | SHELTER          | Voucher             | Elimination         | Total               |
|-----------|------------------------------------------------------|---------------------|-------------------|-------------------|------------------|------------------|------------------|-------------------|---------------------|------------------|--------------------|-------------------|------------------|---------------------|---------------------|---------------------|
| 95100     | Protective services - labor                          | \$ -                | \$ -              | \$ -              | \$ -             | \$ -             | \$ -             | \$ -              | \$ -                | \$ -             | \$ -               | \$ -              | \$ -             | \$ -                | \$ -                | \$ -                |
| 95200     | Protective services - other contract costs           | 83,758              | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | 8,374             | -                | -                   | -                   | 92,132              |
| 95300     | Protective services - other                          | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 95500     | Employee benefit contributions - protective services | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 95000     | <b>Total Protective Services</b>                     | <b>\$ 83,758</b>    | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ -</b>       | <b>\$ -</b>         | <b>\$ -</b>      | <b>\$ -</b>        | <b>\$ 8,374</b>   | <b>\$ -</b>      | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ 92,132</b>    |
| 96110     | Property insurance                                   | \$ 43,868           | \$ 3,732          | \$ 10,028         | \$ 7,505         | \$ 3,065         | \$ 2,083         | \$ -              | \$ -                | \$ 531           | \$ 1,400           | \$ 19,462         | \$ 56            | \$ 2,035            | \$ -                | \$ 93,765           |
| 96120     | Liability insurance                                  | 4,493               | 382               | 1,027             | 769              | 314              | 213              | 15,280            | 15,280              | 54               | 143                | 1,993             | 6                | 208                 | -                   | 24,892              |
| 96130     | Workmen's Compensation                               | 17,325              | 482               | 11,637            | 1,081            | 730              | 147              | -                 | -                   | 4,127            | -                  | 8,966             | 42               | 6,151               | -                   | 50,538              |
| 96140     | All other insurance                                  | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 96100     | <b>Total Insurance Premiums</b>                      | <b>\$ 65,686</b>    | <b>\$ 4,586</b>   | <b>\$ 22,692</b>  | <b>\$ 9,355</b>  | <b>\$ 4,109</b>  | <b>\$ 2,443</b>  | <b>\$ 15,280</b>  | <b>\$ 15,280</b>    | <b>\$ 585</b>    | <b>\$ 5,670</b>    | <b>\$ 30,321</b>  | <b>\$ 104</b>    | <b>\$ 8,394</b>     | <b>\$ -</b>         | <b>\$ 169,205</b>   |
| 96200     | Other general expenses                               | \$ -                | \$ 54,618.00      | \$ -              | \$ -             | \$ -             | \$ -             | \$ -              | \$ -                | \$ -             | \$ -               | \$ 590.00         | \$ -             | \$ 1,575.00         | \$ -                | \$ 56,783.00        |
| 96210     | Compensated absences                                 | 35,671              | 6,641             | 22,435            | 2,308            | 1,454            | 405              | -                 | -                   | 12,214           | -                  | 16,069            | 515              | 26,774              | -                   | 124,486             |
| 96300     | Payments in lieu of taxes                            | 44,274              | -                 | -                 | 2,281            | -                | 2,348            | -                 | -                   | -                | -                  | 4,659             | -                | -                   | -                   | 53,562              |
| 96400     | Bad debt - tenant rents                              | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 96500     | Bad debt - mortgages                                 | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 96600     | Bad debt - other                                     | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 96800     | Severance expense                                    | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 96000     | <b>Total Other General Expenses</b>                  | <b>\$ 79,945</b>    | <b>\$ 61,269</b>  | <b>\$ 22,435</b>  | <b>\$ 4,589</b>  | <b>\$ 1,454</b>  | <b>\$ 2,753</b>  | <b>\$ -</b>       | <b>\$ -</b>         | <b>\$ 12,214</b> | <b>\$ -</b>        | <b>\$ 21,318</b>  | <b>\$ 515</b>    | <b>\$ 28,349</b>    | <b>\$ -</b>         | <b>\$ 234,831</b>   |
| 96710     | Interest of Mortgage (or Bonds) Payable              | \$ -                | \$ -              | \$ -              | \$ 3,404         | \$ -             | \$ -             | \$ -              | \$ 55               | \$ -             | \$ -               | \$ -              | \$ -             | \$ -                | \$ -                | \$ 3,459            |
| 96720     | Interest on Notes Payable (Short and Long Term)      | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 96730     | Amortization of Bond Issue Costs                     | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 96700     | <b>Total Interest expense and Amortization cost</b>  | <b>\$ -</b>         | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ -</b>       | <b>\$ -</b>         | <b>\$ -</b>      | <b>\$ -</b>        | <b>\$ -</b>       | <b>\$ -</b>      | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |
| 96900     | <b>Total Operating Expenses</b>                      | <b>\$ 1,215,378</b> | <b>\$ 123,116</b> | <b>\$ 209,493</b> | <b>\$ 49,726</b> | <b>\$ 21,398</b> | <b>\$ 17,570</b> | <b>\$ 764</b>     | <b>\$ 17,523</b>    | <b>\$ 22,284</b> | <b>\$ 221,946</b>  | <b>\$ 365,803</b> | <b>\$ 6,175</b>  | <b>\$ 457,946</b>   | <b>\$ (297,459)</b> | <b>\$ 2,431,671</b> |
| 97000     | <b>Excess Revenue Over Operating Expenses</b>        | <b>\$ 120,308</b>   | <b>\$ 929,299</b> | <b>\$ 39,966</b>  | <b>\$ 27,618</b> | <b>\$ 13,781</b> | <b>\$ 38,325</b> | <b>\$ 201,456</b> | <b>\$ 1,697,747</b> | <b>\$ 25,706</b> | <b>\$ (47,506)</b> | <b>\$ 359,558</b> | <b>\$ 89,496</b> | <b>\$ 2,766,742</b> | <b>\$ -</b>         | <b>\$ 6,262,496</b> |
| 97100     | Extraordinary maintenance                            | \$ 41,130           | \$ -              | \$ 838            | \$ 1,586         | \$ 660           | \$ -             | \$ -              | \$ 256              | \$ -             | \$ 239             | \$ 3,745          | \$ -             | \$ 1,144            | \$ -                | \$ 49,998           |
| 97200     | Casualty losses- Non-capitalized                     | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 97300-010 | Mainstream I & S year                                | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 97300-020 | Home-Ownership                                       | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 97300-025 | Litigation                                           | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 97300-030 | Hope IV                                              | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 97300-035 | Moving to Work                                       | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 97300-040 | Tenant Protection                                    | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 97300-050 | Portability In                                       | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 97300-060 | Enhanced                                             | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 97300-070 | All Other                                            | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 97300-100 | <b>Total HAP Payment</b>                             | <b>\$ -</b>         | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ -</b>       | <b>\$ -</b>         | <b>\$ -</b>      | <b>\$ -</b>        | <b>\$ -</b>       | <b>\$ -</b>      | <b>\$ 2,614,845</b> | <b>\$ -</b>         | <b>\$ 2,614,845</b> |
| 97400     | Housing assistance payments                          | 672,457             | -                 | 7,870             | 29,815           | 20,827           | 15,131           | -                 | -                   | 30,861           | 2,110              | 86,565            | 91,850           | 2,697,078           | -                   | 2,788,928           |
| 97500     | Depreciation expense                                 | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | 8,359               | -                   | 8,359               |
| 97600     | Fraud losses                                         | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 97800     | Dwelling units rent expense                          | -                   | -                 | -                 | -                | -                | -                | -                 | -                   | -                | -                  | -                 | -                | -                   | -                   | -                   |
| 90000     | <b>Total Expenses</b>                                | <b>\$ 1,928,965</b> | <b>\$ 123,116</b> | <b>\$ 218,201</b> | <b>\$ 81,127</b> | <b>\$ 42,883</b> | <b>\$ 32,701</b> | <b>\$ 764</b>     | <b>\$ 17,779</b>    | <b>\$ 53,155</b> | <b>\$ 224,295</b>  | <b>\$ 456,113</b> | <b>\$ 98,025</b> | <b>\$ 3,164,527</b> | <b>\$ (297,459)</b> | <b>\$ 6,144,192</b> |

Housing Authority of Billings, Montana  
Financial Data Schedule  
June 30, 2010  
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| Line       | Description                                                          | Amp 1      | Capital Fund | COCC      | HAB DEV    | OTS        | Westchester | WT Square  | WT Run       | Office Bldg | DOC         | PV           | SHELTER    | Voucher     | Elimination | Total          |
|------------|----------------------------------------------------------------------|------------|--------------|-----------|------------|------------|-------------|------------|--------------|-------------|-------------|--------------|------------|-------------|-------------|----------------|
| 10010      | Operating transfer in                                                | \$ 929,300 | \$ -         | \$ -      | \$ -       | \$ -       | \$ 6,053    | \$ -       | \$ 407,560   | \$ -        | \$ 21,073   | \$ (413,614) | \$ -       | \$ (21,073) | \$ -        | \$ 1,363,986   |
| 10020      | Operating transfer out                                               | \$ -       | \$ (929,299) | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ (1,363,986) |
| 10030-1100 | Net For Profit                                                       | -          | -            | -         | -          | -          | -           | -          | -            | -           | -           | -            | -          | -           | -           | -              |
| 10030-1200 | Partnership                                                          | -          | -            | -         | -          | -          | -           | -          | -            | -           | -           | -            | -          | -           | -           | -              |
| 10030-1300 | Joint Venture                                                        | -          | -            | -         | -          | -          | -           | -          | -            | -           | -           | -            | -          | -           | -           | -              |
| 10030-1400 | Tax Credit                                                           | -          | -            | -         | -          | -          | -           | -          | -            | -           | -           | -            | -          | -           | -           | -              |
| 10030-1500 | Other                                                                | -          | -            | -         | -          | -          | -           | -          | -            | -           | -           | -            | -          | -           | -           | -              |
|            | Other Comment                                                        |            |              |           |            |            |             |            |              |             |             |              |            |             |             |                |
| 10030      | Operating transfers from / to primary government                     | -          | -            | -         | -          | -          | -           | -          | -            | -           | -           | -            | -          | -           | -           | -              |
| 10040      | Operating transfers from / to component unit                         | -          | -            | -         | -          | -          | -           | -          | -            | -           | -           | -            | -          | -           | -           | -              |
| 10070      | Extraordinary items, net gain/loss                                   | -          | -            | -         | -          | -          | -           | -          | -            | -           | -           | -            | -          | -           | -           | -              |
| 10080      | Special items, net gain/loss                                         | -          | -            | -         | -          | -          | -           | -          | -            | -           | -           | -            | -          | -           | -           | -              |
| 10091      | Inter AMP Excess Cash Transfer In                                    | -          | -            | -         | -          | -          | -           | -          | -            | -           | -           | -            | -          | -           | -           | -              |
| 10092      | Inter AMP Excess Cash Transfer Out                                   | -          | -            | -         | -          | -          | -           | -          | -            | -           | -           | -            | -          | -           | -           | -              |
| 10093      | Transfers from Program to AMP                                        | -          | -            | -         | -          | -          | -           | -          | -            | -           | -           | -            | -          | -           | -           | -              |
| 10094      | Transfers from AMP to Program                                        | -          | -            | -         | -          | -          | -           | -          | -            | -           | -           | -            | -          | -           | -           | -              |
| 10100      | Total other financing sources (uses)                                 | \$ 929,300 | \$ (929,299) | \$ -      | \$ -       | \$ -       | \$ 6,053    | \$ -       | \$ 407,560   | \$ -        | \$ 21,073   | \$ (413,614) | \$ -       | \$ (21,073) | \$ -        | \$ -           |
| 10000      | Excess (Deficiency) of Revenue Over (Under) Expenses                 | \$ 336,021 | \$ -         | \$ 31,258 | \$ (3,783) | \$ (7,706) | \$ 29,247   | \$ 201,456 | \$ 2,105,051 | \$ (5,155)  | \$ (28,782) | \$ (144,366) | \$ (2,354) | \$ 39,088   | \$ -        | \$ 2,549,975   |
| 11020      | Required Annual Debt Principal Payments                              | -          | -            | -         | -          | -          | -           | -          | -            | -           | -           | -            | -          | -           | -           | -              |
| 11030      | Beginning equity                                                     | -          | -            | -         | -          | -          | -           | -          | -            | -           | -           | -            | -          | -           | -           | -              |
| 11040-010  | Prior period adjustments and correction of errors - Editable         | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11040-020  | Prior period adjustments and correction of errors - Editable         | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11040-030  | Prior period adjustments and correction of errors - Editable         | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11040-040  | Prior period adjustments and correction of errors - Editable         | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11040-050  | Prior period adjustments and correction of errors - Editable         | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11040-060  | Prior period adjustments and correction of errors - Editable         | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11040-070  | Equity Transfers                                                     | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11040-080  | Equity Transfers                                                     | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11040-090  | Equity Transfers                                                     | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11040-100  | Equity Transfers                                                     | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11040-110  | Equity Transfers                                                     | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11040      | Prior period adjustments, equity transfers, and correction of errors | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11170-001  | Administrative Fee Equity- Beginning Balance                         | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11170-010  | Administrative Fee Revenue                                           | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11170-020  | Hard to House Fee Revenue                                            | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11170-030  | Audit Costs                                                          | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11170-040  | Investment Income                                                    | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11170-045  | Fraud Recovery Revenue                                               | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11170-050  | Other Revenue                                                        | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11170-060  | Total Admin Fee Revenues                                             | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11170-080  | Total Operating Expenses                                             | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11170-090  | Depreciation                                                         | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11170-100  | Other Expenses                                                       | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11170-101  | Comment for Other Expense                                            | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11170-110  | Total Expenses                                                       | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11170-002  | Net Administrative Fee                                               | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11170-003  | Administrative Fee Equity- Ending Balance                            | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |
| 11170      | Administrative Fee Equity                                            | \$ -       | \$ -         | \$ -      | \$ -       | \$ -       | \$ -        | \$ -       | \$ -         | \$ -        | \$ -        | \$ -         | \$ -       | \$ -        | \$ -        | \$ -           |

Housing Authority of Billings, Montana  
 Financial Data Schedule  
 June 30, 2010  
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| Line      | Description                                            | Amp 1    | Capital Fund | COCC | HAB DEV | OTS  | Westchester | WT Square | WT Run | Office Bldg | DOC  | PV   | SHELTER | Voucher | Elimination | Total      |
|-----------|--------------------------------------------------------|----------|--------------|------|---------|------|-------------|-----------|--------|-------------|------|------|---------|---------|-------------|------------|
| 11180-010 | Housing Assistance Payments Equity - Beginning Balance | \$ -     | \$ -         | \$ - | \$ -    | \$ - | \$ -        | \$ -      | \$ -   | \$ -        | \$ - | \$ - | \$ -    | \$ -    | \$ -        | \$ -       |
| 11180-020 | Net Housing Assistance Payments                        | -        | -            | -    | -       | -    | -           | -         | -      | -           | -    | -    | -       | -       | -           | -          |
| 11180-030 | Housing Assistance Payments Equity - Ending Balance    | -        | -            | -    | -       | -    | -           | -         | -      | -           | -    | -    | -       | -       | -           | -          |
| 11180-040 | Housing Assistance Payment Revenues                    | -        | -            | -    | -       | -    | -           | -         | -      | -           | -    | -    | -       | -       | -           | -          |
| 11180-050 | Fraud Recovery, Revenue                                | -        | -            | -    | -       | -    | -           | -         | -      | -           | -    | -    | -       | -       | -           | -          |
| 11180-060 | Other Revenue                                          | -        | -            | -    | -       | -    | -           | -         | -      | -           | -    | -    | -       | -       | -           | -          |
| 11180-070 | Other Comments                                         | -        | -            | -    | -       | -    | -           | -         | -      | -           | -    | -    | -       | -       | -           | -          |
| 11180-080 | Investment Income                                      | -        | -            | -    | -       | -    | -           | -         | -      | -           | -    | -    | -       | -       | -           | -          |
| 11180-090 | Total Housing Assistance Payments Revenues             | -        | -            | -    | -       | -    | -           | -         | -      | -           | -    | -    | -       | -       | -           | -          |
| 11180-100 | Housing Assistance Payments                            | -        | -            | -    | -       | -    | -           | -         | -      | -           | -    | -    | -       | -       | -           | -          |
| 11180-110 | Other Expenses                                         | -        | -            | -    | -       | -    | -           | -         | -      | -           | -    | -    | -       | -       | -           | -          |
| 11180-120 | Other Comments                                         | -        | -            | -    | -       | -    | -           | -         | -      | -           | -    | -    | -       | -       | -           | -          |
| 11180-130 | Total Housing Assistance Payments Expenses             | -        | -            | -    | -       | -    | -           | -         | -      | -           | -    | -    | -       | -       | -           | -          |
| 11180     | Housing Assistance Payments                            | \$ -     | \$ -         | \$ - | \$ -    | \$ - | \$ -        | \$ -      | \$ -   | \$ -        | \$ - | \$ - | \$ -    | \$ -    | \$ -        | \$ -       |
| 11190     | Unit Months Available                                  | \$ 3,288 | \$ -         | \$ - | \$ -    | \$ - | \$ -        | \$ -      | \$ -   | \$ -        | \$ - | \$ - | \$ -    | \$ -    | \$ -        | \$ 3,288   |
| 11210     | Unit Months Leased                                     | \$ -     | \$ -         | \$ - | \$ -    | \$ - | \$ -        | \$ -      | \$ -   | \$ -        | \$ - | \$ - | \$ -    | \$ -    | \$ -        | \$ -       |
| 11270     | Excess Cash                                            | \$ -     | \$ -         | \$ - | \$ -    | \$ - | \$ -        | \$ -      | \$ -   | \$ -        | \$ - | \$ - | \$ -    | \$ -    | \$ -        | \$ -       |
| 11610     | Land Purchases                                         | \$ -     | \$ -         | \$ - | \$ -    | \$ - | \$ -        | \$ -      | \$ -   | \$ -        | \$ - | \$ - | \$ -    | \$ -    | \$ -        | \$ -       |
| 11620     | Building Purchases                                     | \$ -     | \$ 897,303   | \$ - | \$ -    | \$ - | \$ -        | \$ -      | \$ -   | \$ -        | \$ - | \$ - | \$ -    | \$ -    | \$ -        | \$ 897,303 |
| 11630     | Furniture & Equipment-Dwelling Purchases               | \$ -     | \$ 31,996    | \$ - | \$ -    | \$ - | \$ -        | \$ -      | \$ -   | \$ -        | \$ - | \$ - | \$ -    | \$ -    | \$ -        | \$ 31,996  |
| 11640     | Furniture & Equipment-Administrative Purchases         | \$ -     | \$ -         | \$ - | \$ -    | \$ - | \$ -        | \$ -      | \$ -   | \$ -        | \$ - | \$ - | \$ -    | \$ -    | \$ -        | \$ -       |
| 11650     | Leasehold Improvements Purchases                       | \$ -     | \$ -         | \$ - | \$ -    | \$ - | \$ -        | \$ -      | \$ -   | \$ -        | \$ - | \$ - | \$ -    | \$ -    | \$ -        | \$ -       |
| 11660     | Infrastructure Purchases                               | \$ -     | \$ -         | \$ - | \$ -    | \$ - | \$ -        | \$ -      | \$ -   | \$ -        | \$ - | \$ - | \$ -    | \$ -    | \$ -        | \$ -       |
| 13510     | CFFP Debt Service Payments                             | \$ -     | \$ -         | \$ - | \$ -    | \$ - | \$ -        | \$ -      | \$ -   | \$ -        | \$ - | \$ - | \$ -    | \$ -    | \$ -        | \$ -       |
| 13901     | Replacement Housing Factor Funds                       | \$ -     | \$ -         | \$ - | \$ -    | \$ - | \$ -        | \$ -      | \$ -   | \$ -        | \$ - | \$ - | \$ -    | \$ -    | \$ -        | \$ -       |



Section II – Single Audit  
June 30, 2010

# Housing Authority of Billings, Montana

**Housing Authority of Billings, Montana**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2010**

| Federal Grantor/Pass-Through Grantor Program Title                                                                                                                       | Federal CFDA Number | Pass-Through Grantor's Number | Award Amount | Program Receipts    | Expenditures        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------|--------------|---------------------|---------------------|
| U.S. Department of Housing and Urban Development<br>Housing Choice Vouchers                                                                                              | 14.871              | N/A                           | \$ 3,364,431 | \$ 3,182,732        | 3,182,732           |
| U.S. Department of Housing and Urban Development/<br>Pass-Through Program From:<br>Montana Board of Housing - Tax Credit Assistance<br>Program - ARRA                    | 14.258              | M09-ES300100                  | 2,658,141    | 1,715,273           | 1,715,273           |
| U.S. Department of Housing and Urban Development/<br>Public Housing Capital Fund - 2007                                                                                  | 14.872              | N/A                           | 460,067      | 26,815              | 26,815              |
| Public Housing Capital Fund - 2008                                                                                                                                       | 14.872              | N/A                           | 485,586      | 288,488             | 288,488             |
| Public Housing Capital Fund - 2009                                                                                                                                       | 14.872              | N/A                           | 484,022      | 135,362             | 135,362             |
| Public Housing Capital Fund ARRA                                                                                                                                         | 14.872              | N/A                           | 614,656      | 601,749             | 601,749             |
| Total Public Housing Capital Fund                                                                                                                                        |                     |                               |              | <u>1,052,414</u>    | <u>1,052,414</u>    |
| U.S. Department of Housing and Urban Development/<br>Public Housing                                                                                                      | 14.850              | N/A                           | 750,091      | 750,091             | 750,091             |
| U.S. Department of Housing and Urban Development/<br>Lower Income Housing Assistance Program                                                                             | 14.182              | N/A                           | 373,909      | 373,909             | 373,909             |
| U.S. Department of Housing and Urban Development/<br>Shelter Plus Care                                                                                                   | 14.238              | N/A                           | 89,820       | 95,617              | 95,617              |
| U.S. Department of Housing and Urban Development<br>Pass-Through Program From:<br>City of Billings - Community Development Division<br>Community Development Block Grant | 14.218              | 194782780                     | 262,000      | 202,220             | 202,220             |
| City of Billings - Community Development Division<br>Home Investment Partnerships Program                                                                                | 14.239              | 194782780                     | 215,000      | 42,470              | 54,129              |
| Total Federal Assistance                                                                                                                                                 |                     |                               |              | <u>\$ 7,414,726</u> | <u>\$ 7,426,385</u> |

The accompanying notes are an integral part of this schedule

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of Billings, Montana and is presented on the accrual basis.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *"Audits of States, Local Governments, and Non-Profit Organizations."* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.



CPAs & BUSINESS ADVISORS

**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Commissioners  
Housing Authority of Billings, Montana  
Billings, Montana

Denver Regional Office  
Office of Public Housing  
Denver, Colorado

We have audited the basic financial statements of the Housing Authority of Billings, Montana, (Housing Authority) as of and for the year ended June 30, 2010 and have issued our report thereon dated December 6, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies 10-1 and 10-2 described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management of the Housing Authority of Billings, Montana, Board of Commissioners, State of Montana, and the U S Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eric Sully LLP". The signature is written in a cursive, flowing style.

Billings, Montana  
December 6, 2010



CPAs & BUSINESS ADVISORS

**Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133**

Board of Commissioners  
Housing Authority of Billings, Montana  
Billings, Montana

Denver Regional Office  
Office of Public Housing  
Denver, Colorado

**Compliance**

We have audited the compliance of the Housing Authority of Billings, Montana, (Housing Authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. The Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

## Internal Control over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

*A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies 10-1 and 10-2 described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over compliance.

The Housing Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Housing Authority's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management of the Housing Authority of Billings, Montana, Board of Commissioners, State of Montana, and the U S Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.



Billings, Montana  
December 6, 2010

A. Summary of the Auditor's Results

1. The independent auditors' report expresses an unqualified opinion on the basic financial statements of the Housing Authority of Billings, Montana.
2. Significant deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Housing Authority of Billings, Montana were disclosed during the audit.
4. No significant deficiencies were disclosed in the report on compliance with requirements applicable to each major program and no significant deficiencies were disclosed in the report on internal control over compliance.
5. The report on compliance for major federal award programs for the Housing Authority of Billings, Montana expresses an unqualified opinion.
6. Audit findings relative to the financial statements for the Housing Authority of Billings, Montana are reported in Part B of this Schedule.
7. The programs tested as major programs included:
  - a. Tax Credit Assistance Program - ARRA (CFDA # 14.258)
  - b. Public Housing Capital Fund (CFDA # 14.872)
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Housing Authority of Billings, Montana was determined to be a low-risk auditee.

B. Findings – Financial Statements Audit

**Finding 10-01 Internal Control over the Preparation of the Financial Statements Being Audited**

**Condition**

The Housing Authority does not have an internal control system designed to provide for the preparation of the financial statements and schedule of federal expenditures being audited. As auditors, we were requested to draft the financial statements, accompanying notes to the financial statements, and schedule of federal expenditures.

**Criteria**

A good system of internal accounting control contemplates an adequate system for the preparation of the financial statements, related footnotes, and schedule of federal expenditures.

Cause

The Housing Authority does not have staff trained in GASB reporting standards.

Effect

The control deficiency could result in a misstatement to the presentation of the financial statements and schedule of federal expenditures.

Recommendation

It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Response

The Housing Authority of Billings, Montana has considered the cost/benefit of obtaining the knowledge and skills of another source or from within our organization and decided the best solution was to continue to have the audit firm prepare the financial statements using information obtained from our systems.

**Finding 10-02**

**Limited Size of Office Staff**

Condition

It was noted during the financial statement audit that the Housing Authority of Billings, Montana does not have proper segregation of accounting functions necessary to assure adequate internal control.

Criteria

Proper segregation of accounting functions is necessary to assure adequate internal control exists.

Cause

The Housing Authority does not have proper segregation of duty due to the limited number of staff.

Effect

There is a possibility that a misstatement or misappropriation could occur and not be detected in a timely manner.

Recommendation

Under this condition, the most effective control is management's knowledge of matters relating to the Housing Authority's operations.

Response

The Housing Authority of Billings will make sure the most effective control it can have will be of management's full knowledge of matters relating to the Housing Authority's daily operations. This will involve quality control checks, continued and ongoing training that keep staff informed and abreast of the systems they oversee.

**Prior year findings and questioned costs:**

**Finding 09-01                      Internal Control over the Preparation of  
the Financial Statements Being Audited**

**Condition**

The Housing Authority does not have an internal control system designed to provide for the preparation of the financial statements and schedule of federal expenditures being audited. As auditors, we were requested to draft the financial statements, accompanying notes to the financial statements, and schedule of federal expenditures.

**Criteria**

A good system of internal accounting control contemplates an adequate system for the preparation of the financial statements, related footnotes, and schedule of federal expenditures.

**Cause**

The Housing Authority does not have staff trained in GASB reporting standards.

**Effect**

The control deficiency could result in a misstatement to the presentation of the financial statements and schedule of federal expenditures.

**Recommendation**

It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

**Response**

The Housing Authority of Billings has considered the cost/benefit of obtaining the knowledge and skills of another source or from within our organization and decided the best solution was to continue to have the audit firm prepare the financial statements using information obtained from our systems.

**Finding 09-02                      Limited Size of Office Staff**

**Condition**

It was noted during the financial statement audit that the Housing Authority of Billings, Montana does not have proper segregation of accounting functions necessary to assure adequate internal control.

**Criteria**

Proper segregation of accounting functions is necessary to assure adequate internal control exists.

**Cause**

The Housing Authority does not have proper segregation of duty due to the limited number of staff.

Effect

There is a possibility that a misstatement or misappropriation could occur and not be detected in a timely manner.

Recommendation

Under this condition, the most effective control is management's knowledge of matters relating to the Housing Authority's operations.

Response

The Housing Authority of Billings will make sure the most effective control it can have will be of management's full knowledge of matters relating to the Housing Authority's daily operations. This will involve quality control checks, continued and ongoing training that keep staff informed and abreast of the systems they oversee.

C. Findings And Questioned Costs - Federal Award Programs Audit

None

## **Safety and Crime Statement**

**The Housing Authority has continued to employ, after the Drug Elimination grant was discontinued, a City of Billings police officer full time to ensure the safety of our residents. (i) The PHA has addressed outside safety lighting for all our complexes and has provided deadbolt locks and locking screen doors on all our units. (ii) Various safety training has been conducted by the Police Officer. (ii) The police officer attends police briefing and addresses any issues with our units with other officer as well as pulls a daily log sheet of any police calls from our units, he coordinates with other branches of law enforcement on fugitives, drugs, etc.,.**

**The Housing Authority also screens all applicants for past criminal activity.**



Financial Resources  
2011

Estimated –

Public Housing Operating Fund - \$760,000

Rental income – \$634,416

Public Housing Capital Fund - \$484,022 (proposed 43% reduction \$208,129)

HAB Section 8 Administrative Fees - \$412,000 (proposed 20% reduction of \$82,400)

FSS salary- \$40,000

HAB Section 8 Housing Payment Assistance - \$2,761,101

Department of Commerce Section 8 Administrative Fees - \$170,274

Pleasant view Apartments Section 8 project-based –

PLV HAP assistance - \$385,000

PLV Rent - \$330,861

Shelter Plus Care - \$96,120