

Consolidated Annual Performance and Evaluation Report (CAPER)

Fiscal Year 2004
April 1, 2004 – March 31, 2005

City of Rapid City
Growth Management Department
300 Sixth Street
Rapid City, SD 57701
(605) 394-4181

Table of Contents

Introduction	4
Summary of Resources	4
Strategic Objectives As Approved In The 2003 – 2007 Five Year Consolidated Plan	5
Amendment to FY 2004 Annual Action Plan	6
Summary of FY 2004 Performance	6
Progress on Action Plan – FY 2004 Action Plan Activities	7
Goal – Housing	8
Goal – Public Facilities and Improvements	14
Goal – Homelessness	17
Goal – Non-Housing Community Development Needs	20
Program Planning and Administration	24
Special Activity Notes	26
Underserved Needs Identified For the Rapid City Area	27
Obstacles to Meeting Underserved Needs	28
Progress in Implementing Goal and Objectives	32
Addressing Obstacles to Meeting Underserved Needs	32
Progress on Addressing Homeless Issues	34
Homeless Activities	34
Homeless/Continuum of Care	36
Progress on Addressing Housing Issues	38
Fostering and Maintaining Affordable Housing	38
Lead-based Paint Hazards – Evaluation and Reduction	40
Economic Opportunity	41
Reducing the Number of Poverty Level Families	41
Economic Development	42
Developing Institutional Structures	43
Enhancing Coordination Between Public and Private Housing and Social Services Agencies	45
Public Housing	45
Social Services	46
Leveraging of Resources	47

Citizen Participation	47
Fair Housing	48
Self Evaluation	49
Progress on Action Plan	51
Performance Measurement System	51
Appendices	53
I. Map of Project Locations	
II. 5 Yr Consolidated Plan Goals and Achievements	
III. Publications	
Reports	54
I. CDBG Financial Summary for Program Year 2004	
II. Expenditure of Funds	
III. Carry Over Funds Projects Committed and Underway	
IV. CDBG Activity Summary Report for Program Year 2004	
V. Summary of Consolidated Plan Projects for Report Year 2004	

CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORT (CAPER)

INTRODUCTION

This report highlights the progress that the City of Rapid City made in FY 2004 in implementing and achieving the goals of the City's Strategic Five Year Consolidated Plan. This report covers the time period of April 1, 2004 to March 31, 2005. Activities discussed in this report include those implemented by the City of Rapid City Growth Management Department.

SUMMARY OF RESOURCES

Community development activities are carried out by the Growth Management Department, Community Planning Division of the City of Rapid City. The administrative costs for supporting these activities are funded with HUD grant dollars and program income.

In FY 2004 Rapid City received:

CDBG Funds	\$596,000.00
Program Income – Rehab loan repayments	\$ 17,952.00
Program Income – Rental income	\$ 10,830.98
Unobligated Funds from FY 2001	\$ 20,422.00
Unobligated Funds from FY 2002	\$ 16,783.50
Unobligated Funds from FY 2003	\$ 1,179.89
Total Program Funds FY 2004	\$663,168.37
Total Program Funds	\$ 663,168.37
Funds carried forward from previous yrs.	\$ 524,716.45
Total Funds Available	\$1,187,884.82
Funds Budgeted for FY2002/2004	\$ 602,400.73
Total Remaining	\$ 585,484.09
Draw downs submitted but not paid eff. 3/31/05	\$ 2,962.00
Total Funds Remaining FY 2004	\$ 582,522.09

STRATEGIC OBJECTIVES AS APPROVED IN THE 2003 – 2007 FIVE YEAR CONSOLIDATED PLAN

Listed below are the High Priority objectives identified in the Consolidated Plan for the City of Rapid City for the five year period from 2003 to 2007 and the Annual Action Plan for FY 2004.

Housing Goals

- Bolster existing homeowners
 - Preserve the owner occupied housing stock through rehabilitation.
- Increase home ownership for low-income persons.
- Provide safe and accessible housing
- Ensure decent safe housing for all households
 - Create new affordable rental housing for low-income small family, large family elderly, special population renters and other households.

Homelessness Goals

- Helping low-income households avoid homeless.
- Reaching out to homeless.
- Addressing emergency shelter and transitional housing needs.
- Helping homeless make the transition to permanent housing.

Non-Housing Community Development Goals

- Public facilities and improvements – maintain, improve, and expand where appropriate.
 - Water & sewer improvements
 - Street improvements
 - Removal of architectural barriers
- Neighborhood facilities
- Parks and recreation facilities
- Public services objectives – ensure a variety of services are available in support of low-income households and at-risk persons.
 - Public services (General)
 - Handicapped services
 - Legal services
 - Substance abuse services
- Senior Programs
 - Senior Centers
- Youth Programs
 - Youth Services
- Planning & Administration
 - Program planning and administration

AMENDMENT TO FY 2004 ANNUAL ACTION PLAN

The Annual Action Plan was amended to allow for a mid-year reallocation of funds not expended in previous years. City Council approved taking applications for qualifying projects that would utilize unspent funds from Fiscal Years 2001, 2002 and 2003 in the amount of thirty-eight thousand three hundred eighty-five and 69/100 (\$38,385.69) dollars.

Thirty-two thousand six hundred twenty-eight and 69/100 (\$32,628.69) dollars were redirected to the following projects:

Public Facilities and Improvements:

Behavior Management Systems - \$14,895
Update fire alarm system, construct 5 offices to meet HIPAA requirements

City of Rapid City - \$9,500
Purchase lot for public drainage facility

Rapid City Club for Boys - \$8,233
Install heating and cooling system for Thrift Store Building

Five thousand seven hundred fifty-seven dollars were also approved for allocation to two social service agencies, however, the funding cap for public services had already been reached, so those funds were retained in the Contingency fund and will be included in another reallocation of funds in 2005.

These activities are included in the Summary of FY 2004 Performance report.

SUMMARY OF FY 2004 PERFORMANCE

All of the activities undertaken by the City of Rapid City in fiscal year 2004 met one of the three HUD national objectives. One hundred percent (100%) of the activity expenditures provided a benefit to low and moderate-income persons and/or areas.

The City's process for programming the use of CDBG funds annually involves working closely with non-profit organizations, citizens, and city staff, in an effort to determine where the funds can best be utilized in our community to meet the strategic objectives in our Consolidated Plan.

The following summary of activities funded with Community Development Block Grant funds and program income are grouped according to the goals identified in the Rapid City 2003-2007 Consolidated Plan. Only activities where funds were actually drawn in 2004 are included below.

PROGRESS ON ACTION PLAN – FY 2004 ACTION PLAN ACTIVITIES

Activities	CDBG Budgeted	Funding Carried Forward (Previous Years)	Program Income	Total Funds Available in FY 2004	Funds Spent in FY 2004	Balance Remaining	Status	% Completed
Rapid City Club for Boys	\$8,233	N/A	N/A	\$8,233	\$0	\$8,233	In progress	0%
Rapid City Fair Housing Impediments Study	\$0	\$15,000	N/A	\$15,000	\$0	\$15,000	In progress***	0%
City of Rapid City Neighborhood Restoration Program	\$42,000	\$72,210.68	\$12,000.00	\$126,210.68	\$7,356.74	\$118,853.94	In progress***	6%
Western Resources for dis-Abled Independence	\$30,000	\$0	N/A	\$30,000.00	\$5,663.54	\$24,336.46	In progress	19%
Behavior Management Systems	\$14,896	N/A	N/A	\$14,896	\$0	\$14,896	In progress	20%
Rapid City Community Development Corporation	\$90,000	\$65,443	\$38,300	\$193,743	\$42,770	\$150,972	In progress***	23%
Teton Coalition	\$40,863	None	\$0	\$40,863	\$16,523	\$24,340	In progress	41%
Black Hills Area Habitat for Humanity	\$28,716	\$45,000	\$0	\$73,716	\$38,767	\$34,949	In progress	53%
Salvation Army	\$30,000	\$0	N/A	\$30,000	\$28,301	\$1,699	In progress*	99%
Youth and Family Services	\$12,000	\$4,000	N/A	\$16,000	\$15,000	\$1,000	In progress*	99%
Behavior Management Systems	\$69,521	N/A	N/A	\$69,521.00	\$68,361.00	\$1,160	Completed	100%
Big Brothers Big Sisters	\$0	\$600	N/A	\$600	\$600	\$0	Completed	100%
CASA	\$5,000	\$0	N/A	\$5,000	\$5,000	\$0	Completed	100%
City of Rapid City - Public Works	\$9,500	N/A	N/A	\$9,500	\$9,500	\$0	Completed	100%
Corner Stone Rescue Mission	\$100,000	N/A	N/A	\$100,000	\$100,000	\$0	Completed	100%
Dakota Plains Legal Services	\$15,100	\$2,000	N/A	\$17,100	\$17,099.50	\$0.50	Completed	100%
Friendship House	\$0	\$5,400	N/A	\$5,400	\$5,400	\$0	Completed	100%
Gandolf Group LLC	\$246,500	None		\$246,500	\$246,500	\$0	Completed	100%
Rural America Initiatives	\$0	\$5,000	N/A	\$5,000	\$5,000	\$0	Completed	100%
Working Against Violence, Inc (WAVI) - Counseling	\$0	\$3,500	N/A	\$3,500	\$3,500	\$0	Completed	100%
Working Against Violence, Inc. (WAVI) - Public Facility	\$0	\$3,500	N/A	\$3,500	\$3,500	\$0	Completed	100%
Contingency Funds	\$8,000	\$0.00	N/A	\$8,000.00	\$0.00	\$8,000.00	to be reallocated	0%
Rapid City Community Development Department - Administration	\$122,800	\$31,869.29	N/A	\$154,669.29	\$51,680.00	\$102,989.29	In progress***	17%
TOTAL AMOUNT OF FUNDS	\$873,129	\$253,523		\$1,176,951	\$670,522.53	\$506,428.83		

*Organization submitted final draw-down, but payment was processed after close of FY 2004

** Construction began before end of FY 2004 but draw-downs were received after close of FY 2004

*** Funds were not expended during FY 2004 due to Staff position vacancy. Position is now staffed and programs are proceeding.

GOAL – HOUSING

A. PRIORITY: To Expand Home Ownership Opportunities For Low-income Persons

1. Rapid City Community Development Corporation (RCCDC)

The Rapid City Community Development Corporation (RCCDC), a non-profit organization, provides affordable homeownership opportunities through four (4) programs:

- Lot acquisition for new construction of affordable homes. The lot purchase program utilizes Community Development Block Grant (CDBG) funds to purchase lots within the city limits on which they construct starter homes. The homes are then sold to low-to-moderate income homebuyers.
- Purchase rehabilitation of existing homes. Rapid City Community Development Corporation may purchase an existing home using their loan funds and then use CDBG funds to do needed rehabilitation or updating to the home. The home is then sold to low-to-moderate income homebuyers.
- Down payment and closing costs assistance. Rapid City Community Development Corporation provides down payment and closing costs assistance to low-to-moderate income homebuyers. Maximum down payment and closing cost assistance is \$10,000 for persons with incomes from 50 to 80 percent of the HUD median income and a maximum of \$40,000 for persons below 50% of the HUD median income.
- Zero per cent interest (0%), 120 day construction loans for low income homebuyers or developers building a home for a low-income homebuyer. This saves the homebuyer the closing costs and interest payments on a traditional construction loan during the construction phase. The first mortgage will pay off the construction loan when the home is completed and the first mortgage loan closes. (This portion of the program does not utilize any CDBG funds.)

The Rapid City Community Development Corporation member banks work with low-to-moderate income homebuyers to assist them in qualifying for first mortgage financing.

The Rapid City Community Development Corporation places a zero (0%) percent interest second mortgage against the property for the amount of CDBG funds used for the lot acquisition costs, the rehabilitation costs on the existing homes, or the down payment and closing costs assistance. No monthly payment is required from the borrower. The loan is deferred until the home is sold, refinanced, no longer owner occupied, or the first mortgage is paid off. At the time any of the above conditions occurs, the mortgage becomes fully due and payable to the Rapid City Community Development Corporation.

Rapid City Community Development Corporation's FY 2002 funds that were not spent in 2002, or 2003 due to the unavailability of affordable lots, were carried forward to FY 2004. Rapid City Community Development Corporation has struggled to find lots to purchase for their affordable housing program since lot prices now exceed \$30,000 per lot inside the City limits. Several developers have indicated that they will start housing developments in the spring of 2004 in which they will have lots available for purchase in the \$20,000 to \$30,000 range. Rapid City Community Development Corporation obtained a memorandum of understanding in 2004 to purchase lots in the Neff subdivision, where Governor's homes would be permitted and lot prices were affordable, however, the lots have been tied up in litigation between the owner and adjoining

property owners. There is no way to know when they will be resolved, so Rapid City Community Development Corporation did not renew the memorandum of understanding and has continued to pursue other purchase opportunities. Five homes were built, sold, and closed in 2004, with one more home under construction and scheduled to close the end of April, 2005. There is one lot remaining in Northbrook Village Subdivision, which was sold, but the buyer's financing has not been approved. It is expected that the lot will quickly sell again.

In late July 2004, Rapid City Community Development Corporation requested a change to their grant application to allow an additional use of the funds for down payment and closing costs assistance to allow a more timely expenditure of funds when affordable properties are not available. The Rapid City Council granted preliminary approval. The proposed grant amendment was published for public comment, prior to final approval. The program change was approved by the City Council on November 22, 2004. The change allows Rapid City Community Development Corporation to provide assistance to more low-income people and not be dependent on new development of affordable lots. In 2004, the Rapid City Community Development Corporation also changed their program procedures from placing a ten (10) year forgivable mortgage on the property to a deferred thirty year, zero percent interest mortgage. As a result, the Rapid City Community Development Corporation will be able to recover funds and reissue them to other low-to- moderate income homebuyers.

Funding Requested:	\$125,000
Funding Awarded:	\$ 90,000
Program Income:	\$ 38,300 (Funds recovered from three loans that were paid in full.)
Funds Carried Forward: (previous FY allocation)	\$ 65,442.70 (Carried forward from FY 2002 allocation)
Total Funds Available:	\$193,742.70
Funds Spent in FY 2004:	\$ 8,965.28
Balance Remaining:	\$184,777.42
Eligibility:	Low/Mod Housing Activity 01 Acquisition of Real Property
Goal Category(s):	Increase home ownership; Provide safe and accessible housing; Preserve existing housing stock
Accomplishments:	<ul style="list-style-type: none"> • 5 lots purchased with CDBG • 5 homes built, sold & closed for low-income homebuyers. • 1 home sold - construction almost complete, scheduled to close in April, 2005. • 4 down payment/closing costs assistance loans (\$33,000 deduction not reflected in Balance above) • 3 down payment/closing costs assistance loans approved and scheduled to close in April & June, 2005 (\$30,000 deductions not reflected in Balance above)

- No rehabilitation projects were conducted.
- 2 construction loans provided to Teton Coalition (no CDBG funds)
- Balance remaining after deductions = \$121,777.42
- Funding remaining is being carried over for 2005.

2. Teton Coalition, Inc.

The Teton Coalition is a certified Community Housing Development Organization and HUD certified counseling agency working to provide educational and housing opportunities to people of lower incomes in Western South Dakota. The majority of their services are provided in the Rapid City area. They provide extensive outreach to Native American families who are interested in home ownership. The Teton Coalition provides culturally sensitive Homebuyer Education courses as well as Landscaping and Maintenance classes. The Teton Coalition has also served as a developer and has constructed eight homes in Dakota Subdivision and is currently constructing ten more homes in Rapid Valley using HOME funds.

The Teton Coalition requested CDBG funds to purchase three (3) lots for construction of homes for low to moderate income households in Rapid City. Funds would also be used to provide down payment assistance of \$2,500 to three (3) households, pay for three (3) land surveys and program delivery costs. The Teton Coalition provides a forgivable grant with a 10 year recapture period for the assistance provided. Participants are required to attend a credit counseling session and a homebuyer education course prior to loan closing.

Funding Requested:	\$57,538.00
CDBG Funding Awarded:	\$40,863.00
Funds Carried Forward: (previous FY allocation)	\$ 0
Total Funds available:	\$40,863.00
Funds spent in FY2004:	\$16,523.25
Balance Remaining:	\$24,339.75
Eligibility:	Low/Mod Housing Activity 01 Acquisition of Real Property
Goal Category(s):	Increase home ownership for low-income persons; Provide safe and accessible housing.
Accomplishments:	<ul style="list-style-type: none"> • 1 lot purchased in the Dakota Subdivision with CDBG funds. • 2 lots sold & closed that were purchased in 2003 with CDBG funds • Teton Coalition started construction on 10 lots in Murphy subdivision (HOME funds from South Dakota Housing Development Association). The Teton Coalition experienced a major reduction in staffing, which limited their ability to complete their lot purchases in FY 2004. However, they have been

able to rehire one of the staff members, and should be able to complete their grant expenditures by July, 2005. They have identified two lots for purchase for Governor's homes and those purchases will be accomplished in the first half of 2005.

- Their funds are being carried forward into FY 2005.

3. Black Hills Area Habitat for Humanity

The Black Hills Area Habitat for Humanity partners with low-income families to build decent affordable homes and to eliminate substandard housing in the Black Hills. Habitat utilizes volunteer work crews to build homes. The homebuyers are required to contribute to the home building process by providing a certain number of sweat equity hours to their project. Buyers pay for the materials to build the home in 0% interest loans. The Black Hills Area Habitat for Humanity requested funds to be used for the purchase of lots, infrastructure costs, demolition of buildings, removal of environmental contaminants and/or the movement of structures to other sites.

Funding Requested:	\$45,000
CDBG Funding Awarded:	\$28,716
Funds Carried Forward: (previous FY allocation)	\$45,000 (FY 2002 & 2003)
Total Funds Available:	\$73,716
Funds spent in FY2004:	\$38,767.24
Balance Remaining:	\$34,948.76
Eligibility:	Low/Mod Housing Activity 01 Acquisition of Real Property
Goal Category(s):	Increase home ownership for very low-income persons; Provide safe and accessible housing.
Accomplishments:	<ul style="list-style-type: none"> • 4 lots purchased with CDBG funds. • Remodel of a foreclosure house completed, sold and closed. (Home originally purchased with CDBG funds) • 3 homes built, sold and closed. (no CDBG funds) • 2 homes under construction scheduled to close in first quarter FY 2005. (CDBG funds) • Affordable lots have been difficult to find. Habitat has an option to purchase two lots on which they can build three homes in the second quarter of FY 2005. • Funds will be carried forward to FY2005.

B. PRIORITY: To provide rehabilitation of existing owner occupied dwelling units

1. Rapid City Community Development Corporation (RCCDC)

The Rapid City Community Development Corporation (RCCDC) has also actively pursued the purchase of existing housing stock for rehabilitation. There are very few homes in Rapid City under \$90,000 and Rapid City Community Development

Corporation has been unable to find any homes in that price range to purchase that would require less than \$25,000 in repairs. The success of the homeownership program is limited only by the availability of existing homes for sale under \$90,000 that don't have major structural issues, and they continue to pursue properties to purchase and rehabilitate. Since affordable housing for homeownership is a high priority in Rapid City's Consolidated Plan, the City is carrying forward approved funding from previous years for this activity. No rehabilitation projects were conducted in FY2004.

(See Rapid City Community Development Corporation above under PRIORITY: Extend Home Ownership Opportunities to Low-income. Rehabilitation program is described in that section)

2. City of Rapid City Neighborhood Restoration Program

The City of Rapid City utilizes Community Development Block Grant (CDBG) funds to provide the Neighborhood Restoration Program for low-income homeowners within the corporate limits of Rapid City. The program provides rehabilitation assistance to homeowners with incomes at or below eighty percent (80%) of median income. Ten (10) year forgivable loans and three (3%) percent interest loans, or a combination of both, may be utilized, depending on the applicant's household income. Eligible rehabilitation projects are those that address health, safety, structural, energy efficiency and accessibility issues.

A staffing vacancy for most of FY 2004 affected the number of rehabilitation projects that the Community Development staff could accomplish. However, the Community Development Specialist has worked at increasing public knowledge of the program and setting up referral systems by distributing program information and applications to the utility companies, area repairmen and contractors. In addition, presentations about the program have been made to social services groups, local lenders, the Weed and Seed Program membership, the North Rapid Community Association and citizens attending a Town Hall meeting. The best advertising for the rehabilitation program has been from referrals from satisfied homeowners who have received a loan and then share the information with friends, relatives, and neighbors. Additional advertising efforts will be made now that staffing is in place to handle the demand and rehab oversight.

This program is very important for the low-income homeowners in Rapid City who have no other source of funds for needed repairs to their homes, so the funds from 2004 are to be carried over to 2005.

Funding Requested:	\$ 70,000.00
CDBG Funding Awarded:	\$ 42,000.00
Program Income:	\$ 12,000.00 (FY 2002)
Funds Carried Forward: (previous FY allocation)	\$ 72,210.68 (FY 2002 & FY 2003)
Total Funds Available:	\$126,210.68
Funds spent in FY2004:	\$ 7,356.74
Balance Remaining:	\$118,853.94
Eligibility:	Low/Mod Housing Activity 14A Rehab, Single Unit Residential

Goal Category(s): Increase home ownership; Provide safe and accessible housing; Preserve existing housing stock

Accomplishments:

- 12 applications were received in FY 2004
- 2 applications were withdrawn
- 3 applications did not meet the program guidelines and were denied.
- 5 rehab projects were completed.
- 5 rehab loans were paid in full.
- The number of rehab loans accomplished in FY 2004 was limited due to staff vacancy. Vacancy has been filled and program should be able to utilize all remaining funds in FY 2005.
- Funds remaining from 2002, 2003 & 2004 were carried forward to 2005.

**C. PRIORITIES: Housing - To Increase the Supply of Decent Affordable Housing
Public facilities and improvements –Water & Sewer improvements**

1. Gandolf Group LLC

The Gandolf Group LLC is a private, for-profit company whose purpose is to develop affordable housing for both families and seniors. Gandolf Group proposed to develop a 72 unit affordable family housing project of cottage style rental units on 10 acres of land just off of Highway 79, north of Fairmont Boulevard called South Creek Village. South Creek Village is a project that will serve low-to-moderate income families. Fifteen of the units are targeted for families at 50% of the area median income and 57 units are targeted for families at 60% of the area median income. Their commitment for affordability is 40 years. Community Development Block Grant funds covered the cost of constructing a drainage improvement on the site of South Creek Village housing project.

Funding Requested: \$0
CDBG Funding Awarded: \$0
Funds Carried Forward: \$246,500
(previous FY allocation)
Total Funds Available: \$246,500
Funds spent in FY2004: \$246,500
Balance Remaining: \$0

Eligibility: Low/Mod Housing Area
03 Public Facilities and Improvements (General)

Goal Category(s): Ensure decent safe housing for all households; Create new affordable rental housing for low-income small family, large family elderly, special population renters and other households.

Accomplishments:

- 72 affordable rental units completed.

- Construction was started and completed during the FY 2004.
- 100% of the apartments have been rented to persons with household incomes below 60% of median income and has an occupancy rate of 100%.

GOAL – PUBLIC FACILITIES AND IMPROVEMENTS

A. PRIORITY: Public Facilities and Improvements (General) Public drainage

1. City of Rapid City – Public Works Department

The Public Works Department of the City of Rapid City applied for funds to purchase Lot 27, Dakota Subdivision #1 for use as a natural public drainage area facility.

Funding Requested:	\$9,500
CDBG Funding Awarded:	\$9,500 (Mid Year Reallocation of Funds)
Funds Carried Forward: (previous FY allocation)	\$0
Total Funds Available:	\$9,500
Funds spent in FY 2004:	\$9,500
Balance Remaining:	\$0
Eligibility:	Low/Mod Census Tract 03 Public Facilities and Improvements (General)
Goal Category(s):	Public Services (General)
Accomplishments:	Lot was purchased and transaction closed.

B. PRIORITIES: Public Facilities and Improvements (General) Rehabilitation for Safety Issues Transitional Housing Substance Abuse Treatment

1. Behavior Management Systems

Behavior Management Systems rehabilitated their building to provide a permanent facility for the Full Circle Program, which is designated to prevent fetal alcohol syndrome and fetal alcohol effect, caused by pregnant women's substance abuse. The program works with pregnant women to stop substance abuse and provide life skills for parenting their children. The rehabilitation of their building and addition of living quarters required BMS to bring up to code the fire sprinkler and alarm systems and to address handicap accessibility requirements for building access.

Behavior Management Systems requested funds to bring the fire sprinkler and alarm systems up to code and to replace the front doors to meet handicap accessibility requirements.

Funding Requested:	\$69,521.00
CDBG Funding Awarded:	\$69,521.00
Funds Carried Forward: (previous FY allocation)	\$0
Total Funds Available:	\$69,521.00
Funds spent in FY2004:	\$68,361.00
Balance Remaining:	\$ 1,160.00
Eligibility:	Low/Mod Housing Activity 14B Rehabilitation, multi-unit residential
Goal Category(s):	Provide safe and accessible housing and substance abuse treatment.
Accomplishments:	The fire alarm and sprinkler systems have been upgraded to meet code and the project is complete. Funding was not provided at a level that would accomplish the rehabilitation for the handicap accessible doors.

**C. PRIORITIES: Public Facilities and Improvements (General)
Substance Abuse Treatment**

1. Behavior Management Systems

Behavior Management Systems provides mental health and substance abuse treatments with their Mainstream Program. The facility needs to bring up to code the fire alarm system and to address Health Insurance Portability and Accountability Act requirements for client confidentiality.

Behavior Management Systems requested funds to update the fire alarm system and to construct seven (7) offices to meet the Health Insurance Portability and Accountability Act requirements for client privacy.

Funding Requested:	\$27,000.00
CDBG Funding Awarded:	\$14,895.69 (Mid Year Reallocation of Funds)
Funds Carried Forward: (previous FY allocation)	\$0
Total Funds Available:	\$14,895.69
Funds spent in FY2004:	\$0
Balance Remaining:	\$14,895.69
Eligibility:	Low/Mod Clientele 03 Public Facilities and Improvements (General)

Goal Category(s): Public Facilities & Improvements (General)
Substance Abuse Treatment

Accomplishments: Approval for the reallocation of funds for this project was not received until November, 2004. Rehabilitation is not expected to commence until April, 2005, due to requirements for performing an environmental review, bid request publications, etc. Work should be completed prior to the end of the first quarter of FY 2005. Funds will be carried forward for this project to FY 2005.

**D. PRIORITY: Public Facilities and Improvements (General)
Rehabilitation**

1. Rapid City Club for Boys

The Rapid City Club for Boys provides a safe, supervised recreational program for boys. In addition to the activities provided in the main center, the Rapid City Club for Boys runs a Thrift Store, which provides a large part of their operating budget. The Thrift Store employs low-income people from the community and provides affordable clothing and goods for low-income families. Rapid City Club for Boys also offers a Jr. Business program for the boys, which is conducted as a program with the Thrift Store.

Funds were requested for the installation of a new heating and cooling system for the Thrift Store building.

Funding Requested: \$8,233.00

CDBG Funding Awarded: \$8,233.00 (Mid Year Reallocation of Funds)

Funds Carried Forward:
(previous FY allocation) \$0

Total Funds Available: \$8,233.00

Funds spent in FY 2004: \$0

Balance Remaining: \$8,233.00

Eligibility: Low/Mod Income Clientele
03 Public Facilities and Improvements (General)

Goal Category(s): Public Services (General)
Youth Services

Accomplishments: Approval for reallocation of funds was not received until November, 2004. Rehabilitation is not expected to be completed until first quarter of FY 2005 due to the need to complete an environmental review prior to funds release, bid request notification, and contractor selection.

GOALS – HOMELESSNESS

A. PRIORITIES: Addressing emergency shelter and transitional housing needs

1. Corner Stone Rescue Mission

The Corner Stone Rescue Mission is a faith-based non-profit charitable organization dedicated to the ministry of helping the poor and homeless with food, clothing, shelter, employment assistance and other supportive services to homeless individuals and families with children. Their goal is to help people recover from homelessness. The Corner Stone Rescue Mission requested funding for the purchase of a property to be used as a women and children's shelter. Due to lack of space, women and children have had to be housed in the same area as homeless men. It was a high priority for the City to aid the Corner Stone Rescue Mission in finding adequate housing for homeless women and children.

Funding Requested:	\$100,000
CDBG Funding Awarded:	\$100,000
Funds Carried Forward: (previous FY allocation)	\$0
Total Funds Available:	\$100,000
Funds spent in FY2004:	\$100,000
Balance Remaining:	\$0
Eligibility:	Low/Mod Clientele 03C Homeless Facilities (not operating costs)
Goal Category(s):	Addressing emergency shelter and transitional housing needs.
Accomplishments:	<ul style="list-style-type: none">• Corner Stone Rescue Mission purchased a home from Working Against Violence, Inc. The home allows Corner Stone Rescue Mission to house up to 34 homeless women and children.• The facility was rehabilitated (no CDBG funds were used) and has a handicap accessible room and bathroom, a community kitchen, dining room, lounge area, meeting room and a fenced back yard, in addition to the bedrooms.• The facility provides the women and children with a safe, comfortable place to live and the case management services needed to move them on to permanent housing.• Property was purchased and loan closed. The facility was available for occupancy in March, 2005 and was at capacity within two days of opening.• 34 people were housed. 2 were disabled.

2. Working Against Violence, Inc. (WAVI)

Working Against Violence, Inc.'s mission is to create a community free of domestic violence and sexual assault through advocacy, education, and support services, including emergency shelter, support groups, transportation and community education. Working Against Violence, Inc.'s current facility is becoming inadequate for the current program needs and agency growth. Funding was requested to assist in the construction of a new facility that would house an emergency shelter, the Domestic Violence and Sexual Assault Program's Program Services, Children's Services and Administrative operation.

Funding Requested: \$0

CDBG Funding Awarded: \$0

Funds Carried Forward:
(previous FY allocation) \$ 3,500

Total Funds Available: \$ 3,500

Funds spent in FY2004: \$ 3,500

Balance Remaining: \$0

Eligibility: Low/Mod Clientele
05G Battered and Abused Spouses

Goal Category(s): Addressing emergency shelter needs; Public Facilities, expansion; Public Services for low-income and at-risk persons.

Accomplishments: New shelter was built and 95% complete by March 31, 2004. Occupancy of the facility occurred on April 9, 2004 and final draw was processed. Facility is 12,000 square feet with 13 bedrooms, 50 beds, 7 bathrooms, 16 offices, 2 meeting rooms, a play area for children and a private space for families.

3. Friendship House

The Friendship House is a halfway house for people recovering from alcohol and drug addiction. The primary mission of the Friendship House is to increase the productivity of our residents in mainstream living through sobriety and improved health. The staff endeavors to provide thoughtful, personalized services to meet individual needs and a support system to help the person return to mainstream living. The Friendship House maintains a close working relationship with other agencies in the area providing alcohol and other drug services, as well as with agencies providing health, employment and social services. The Friendship House accepts people from the VA hospitals, state prison system, Court Services, Human Services Center and private treatment centers. The majority of those applying for services have limited or no financial resources and no employment at the time of admission. Average stay for a resident is 45 days. Funds were requested to provide 25 residents with halfway house (transitional) services or room, board and therapy.

Funding Requested:	\$10,500.00
CDBG Funding Awarded:	\$0.00
Funds Carried Forward: (previous FY allocation)	\$5,400.00
Total Funds Available:	\$5,400.00
Funds spent in FY 2004:	\$5,400.00
Balance Remaining:	\$0.00
Eligibility:	Low/Mod Clientele 05 Public Services (General)
Goal Category(s):	Substance abuse services
Accomplishments:	<ul style="list-style-type: none"> • 9 people received services, room and board for up to 3 months. (CDBG funds) • A total of 104 clients received rent, board, treatment, counseling and parenting classes.

B. PRIORITY: Homeless Prevention

4. Salvation Army

The Salvation Army's mission is to preach the gospel of Jesus Christ and to meet human needs in His name without discrimination. The Salvation Army provides a variety of diversified programs of social service, religious, and character building programs to low-income families, homeless persons and youth at risk. It is the last chance for some people in need to find the necessary emergency assistance. Funds were requested to assist families and individuals by paying deposits, first month rents for establishing housing for displaced families or individuals, past due rent to avoid eviction and homelessness. It may also be used to pay past due utility bills to avoid shut offs and to retain safe and adequate housing conditions.

Funding Requested:	\$55,000.00
CDBG Funding Awarded:	\$30,000.00
Funds Carried Forward: (previous FY allocation)	\$0
Total Funds Available:	\$30,000.00
Funds spent in FY2004:	\$28,300.00
Balance Remaining:	\$ 1,699.02
Eligibility:	Low/Mod Clientele 05 Public Services (General)
Goal Category(s):	Helping low-income households from becoming homeless; Addressing emergency shelter needs.

- Accomplishments:
- 152 people received emergency rent or house payment assistance.
 - 69 families received utility assistance for past due bills.
 - A total of 221 people received assistance from CDBG funds.
 - This was an average assistance of \$135.74 per person.

GOAL - NON-HOUSING COMMUNITY DEVELOPMENT NEEDS

A. PRIORITY: Youth Services

1. Big Brothers Big Sisters of the Black Hills

Big Brothers Big Sisters of the Black Hills matches quality volunteer mentors with children, youth and teen/new mothers. The Mother Mentor Program is a service of Big Brothers Big Sisters that matches new and expectant mothers One-to-One with experienced adult mothers. Mother Mentors are carefully screened and trained volunteers who believe in the value of family and the importance of emotional and educational support for new and teen mothers. Big Brothers Big Sisters requested funds to support the Mother Mentor Program enrollment of additional teen/new mothers and mentors into the program through active involvement in providing presentations to targeted agencies and organizations in the community. Specifically, the funds would be used for staff salaries and activities associated with the recruitment of teen mothers and mentors.

Funding Requested:	\$5,000
CDBG Funding Awarded:	\$0
Funds Carried Forward: (previous FY allocation)	\$ 600 (FY 2003)
Total Funds Available:	\$ 600
Funds spent in FY2004:	\$ 600
Balance Remaining:	\$0
Eligibility:	Low/Mod Clientele 05D Youth Services
Goal Category(s):	Public Services (General) & Youth Services.
Accomplishments:	67 teen/new mothers were matched with mentors. (Activities were completed during FY2004 but final draw was processed and paid after close of fiscal year.)

2. Youth and Family Services – Counseling

Youth and Family Services provides support to children and their families in becoming capable, caring, and contributing members of the community. The counseling center provides crisis intervention, substance abuse assessments, counseling, referral, follow-up and prevention services for young people and their families. YFS programs were

developed in an effort to offer children and their families the guidance and support necessary to enrich their lives and help them become responsible citizens. Funding was requested to support a counselor to provide intervention and counseling services for low-income residents. The counselor also trains volunteers for the crisis hotline.

Funding Requested:	\$15,000
CDBG Funding Awarded:	\$12,000
Funds Carried Forward: (previous FY allocation)	\$ 4,000 (FY 2003)
Total Funds Available:	\$16,000
Funds spent in FY2004:	\$15,000
Balance Remaining:	\$ 1,000
Eligibility:	Low/Mod Clientele 05D Counseling
Goal Category(s):	Public Services (General) & Youth Services.
Accomplishments:	987 Clients received counseling. 10 volunteers were trained for the Crisis Line 745 people received assistance from the Crisis Line Total number served was 1,104

3. Rural America Initiatives (RAI)

Rural America Initiatives serves low-income Native American families in Rapid City. They operate Early Head Start, Head Start, Teen Pregnancy Care Project and Dropout Prevention Programs. Rural America Initiatives' goals are to help Native families to become more stable and self sufficient and to increase the health, economics and educational resources available to Native families in Rapid City. Funds were requested for Project Lakota, which targets juvenile delinquents and attempts to reduce their criminal behavior by providing cultural activities. The funds would be used for salaries, group materials and transportation for four mentors and 120 students.

Funding Requested:	\$0
CDBG Funding Awarded:	\$0
Funds Carried Forward: (previous FY allocation)	\$5,000
Total Funds Available:	\$5,000
Funds spent in FY2004:	\$3,750
Balance Remaining:	\$1,250
Eligibility:	Low/Mod Clientele 05D Counseling
Goal Category(s):	Public Services for persons at-risk & Youth Services.
Accomplishments:	275 children received services. All services were completed in 2003 but final draw request was received and processed in FY 2004.

4. **Court Appointed Special Advocates (CASA)**

The Court Appointed Special Advocates program recruits, trains and supervises community volunteers who are appointed by the Juvenile Judge to represent the "best interest" of abused and neglected children in the court system.

(See Legal Services below)

B. PRIORITIES: Legal Services

1. **Court Appointed Special Advocates (CASA)**

The Court Appointed Special Advocates program recruits, trains and supervises community volunteers who are appointed by the Juvenile Judge to represent the "best interest" of abused and neglected children in the court system. These volunteers become the "eyes and ears" of the court and the "voice" of the child. After completing training and being sworn in as an "Officer of the Court", the Court Appointed Special Advocates volunteer is expected to research the case by reviewing records, and by discussing the child's background with teachers, doctors, natural parents, foster parents, school officials, and the child.

Funding Requested: \$35,000

CDBG Funding Awarded: \$ 5,000

Funds Carried Forward:
(previous FY allocation) \$0

Funds spent in FY2004: \$ 5,000

Eligibility: Low/Mod Clientele
05D Youth Services

Goal Category(s): Legal Services & Youth Services.

Accomplishments:

- Accomplishments are results through 12/31/04 (last quarter report not received at time of printing)
- 15 new volunteers trained
- 1,262 children received assistance
- 210 more children were helped with the additional volunteers.

2. **Dakota Plains Legal Services, Inc.**

Dakota Plains Legal Services, Inc. is a private, non-profit community and legal service program that provides access to justice under the law for low-income, elderly and victims of domestic violence by providing high quality legal assistance in civil matters. The agency also provides community education and information to groups and individuals to enable them to make more informed decisions. Funds were requested for a public service project to support direct civil legal assistance, including services for the homeless, domestic violence victims and the elderly who meet the low-income guidelines. Community education will also be provided to groups in the area. CDBG funds will be used to pay for staffing costs (attorneys, paralegals and support staff) and staff related expenses directly attributed to the provision of initial intake and subsequent legal assistance.

Funding Requested: \$20,000.00

CDBG Funding Awarded: \$15,100.00
 Funds Carried Forward: \$ 2,000.00
 (previous FY allocation)
 Total Funds Available: \$17,100.00
 Funds spent in FY2004: \$17,099.50
 Balance Remaining: \$.50
 Eligibility: Low/Mod Clientele
 05C Legal Services

Goal Category(s): Legal Services

- Accomplishments:
- 573 people have received legal services
 - 5 community presentations were made on the following subjects: 2 on Medicare changes, two on landlord-tenant education, and one on the advantage of having a living will and durable power of attorney.

C. PRIORITY: Services for Disabled

1. Western Resources for dis-Abled Independence

Western Resources for dis-Abled Independence provides services and support to promote independence for disabled persons. The Living Well program promotes healthy living skills for people with disabilities through advocacy for the rights of equal inclusion, identifying and promoting access to existing resources, the development of new resources which may enable people with disabilities to live more independently and achieve their highest potential. Funds were requested to cover training costs for five individuals to become facilitators for workshops for Western Resources for dis-Abled Independence clients, operations costs, guest presenter fees and charges from businesses providing services and for counseling for participants in the Western Resources for dis-Abled Independence I program.

Funding Requested: \$38,648
 CDBG Funding Awarded: \$30,000
 Funds Carried Forward: \$0
 (previous FY allocation)
 Total Funds Available: \$30,000
 Funds spent in FY2004: \$5,663.54
 Balance Remaining: \$24,336.46
 Eligibility: Low/Mod Clientele
 05B Handicapped Services

Goal Category(s): Handicapped Services & Public Services (General).

- Accomplishments:
- Accomplishments reported through 12/31/04 – final quarter results for fiscal year, through 3/31/05 not received at time of this reporting.

- 8 facilitators trained
- 35 recruitment promotions completed
- 14 people received transportation assistance
- 24 facilitators presented classes
- 20 guest presenters participated in classes
- 31 counseling sessions were offered
- 27 people received services through 12/31/04 (26 disabled & 1 elderly)

D. PRIORITY: Services for at-risk persons

1. Working Against Violence, Inc. - Counseling

Working Against Violence, Inc.'s mission is to create a community free of domestic violence and sexual assault through advocacy, education, and support services, including emergency shelter, support groups, transportation and community education. Funding was requested for partial coverage of the salary of a full-time case manager position to provide direct services to victims of violence. Services include intake, orientation, one-on-one advocacy, court advocacy, crisis counseling, transportation, assistance in housing and job search and referrals to other helping agencies.

Funding Requested: \$7,000

CDBG Funding Awarded: \$0

Funds Carried Forward:
(previous FY allocation) \$3,500

Total Funds Available: \$3,500

Funds spent in FY2004: \$3,500

Balance Remaining: \$0

Eligibility: Low/Mod Clientele
05G Battered and Abused Spouses

Goal Category(s): Addressing emergency shelter needs; Public Services for low-income and at-risk persons.

Accomplishments: 1,329 people received services and/or shelter. Final draw request was received after close of FY 2003 and paid out in FY 2004.

PROGRAM PLANNING AND ADMINISTRATION

1. City of Rapid City, Community Development Department

Community Development Block Grant funds are used to fund staff costs associated with the implementation of community development programs, as well as general administrative costs related to grant implementation. It is eligible as an administrative activity.

Total Budget:	\$122,800.00
Funds Carried Forward: (previous FY allocation)	\$ 31,869.29
Funds Spent in 2004:	\$ 51,680.29
Balance Remaining:	\$102,989.00
Eligibility:	21A Program Oversight and Management

- Accomplishments -
- Provided funding support for costs associated with implementation of community development programs, oversight of grantees and reporting requirements. Staff also administers the City Neighborhood Restoration Program that performs rehab on eligible owner occupied homes.
 - This department remained short staffed for all of FY 2004 due to an administrative assistant vacancy. The vacancy affected the scope of work that could be accomplished in the restoration program and the number of site visits that could be accomplished.
 - The position has been filled with a part time person, which will allow the Community Development Specialist to devote more time to the restoration program, sub-grantee audits and site visits.
 - Remaining funds are being carried forward to FY 2005.
 - 7 site visits to sub-grantees were accomplished.
 - 5 rehab projects were completed.
 - 2 rehab projects are in progress.
 - A Housing Task Force was formed and met twice.
 - A City wide HUD point-in-time homeless count was coordinated by the City Community Development Specialist and accomplished with the help of the Black Hills Area Homeless Coalition, service agencies and volunteers.

2. City of Rapid – Fair Housing Impediments Survey & Study

The City of Rapid City supports providing information to the public on the Fair Housing Act and their rights. Funds were requested to conduct a survey and study on the Impediments to Fair Housing, and to provide additional educational opportunities to the Community. Funds were allocated in FY2001 and the study was conducted in FY2002. Final payment on the study was made in early 2003 out of program income rather than the grant set-aside.

Funding Requested:	\$0
CDBG Funding Awarded:	\$0
Funds Carried Forward: (previous FY allocation)	\$15,000 (FY 2001)
Total Funds Available:	\$15,000
Funds spent in FY2004:	\$0.00

Balance Remaining:	\$15,000
Eligibility:	Low/Mod Clientele 20 Fair Housing Impediments Analysis
Goal Category(s):	Planning & Administration
Accomplishments:	Due to staffing vacancies programs were not offered in 2004, however Fair Housing brochures and information was provided to the public at the Black Hills Home Builder's Home Show in March 2004 and April, 2005 and was available year round at the information desk and Growth Management Department in City Hall.

3. Contingency Funds

Un-programmed funds are used as a contingency reserve for mid or end of year emergency projects, as the funds come from program income that is not usually received until late in the year. If funds are not used for an emergency eligible need before the end of the program year, they will be reallocated for an eligible program.

Total Budget -	\$8,000
Funds Carried Forward: (from previous FY allocation)	\$0
Balance Remaining:	\$8,000
Eligibility:	22 Un-programmed Funds

SPECIAL ACTIVITY NOTES

Acquisition, Relocation or Displacement

None of the projects funded by Rapid City Community Development Block Grant funds in FY 2004 required relocation assistance, nor was displacement an issue. New development lot prices exceeded \$30,000, so lot purchases were limited to a few infill lots.

Economic Development Activities

The City of Rapid City completed a number of economic development activities in FY 2004 but none of them had a designated benefit of "low/mod income jobs" or used Community Development Block Grant funds. The City of Rapid City has utilized other available funding sources for Economic Development. The City also supports economic development projects with funds from the Vision 2012 fund, Tax Increment Financing (TIF), and the Infrastructure Development Partnership Fund.

Presumed Benefit Activities/Activity Monitoring

All of the activities that list low-mod clientele as the appropriate benefit require the project applicant to maintain income verification information in their files. Agencies are to be monitored quarterly, but due to staffing vacancies in 2004, monitoring activities were limited to a

percentage of the agencies funded. The vacant administrative support position was filled with a part time person in February, 2005, and audits will be conducted on all files in FY 2005. A training session on file maintenance and reporting was conducted for Grantees awarded funding for FY 2004 in June, 2004. Training classes will be offered annually for all sub-grantees. All sub-grantees are required to turn in written quarterly or monthly progress reports.

Grantees whose activities were presumed to benefit low-income clientele in FY 2004 were the Corner Stone Rescue Mission, Salvation Army, WAVI, CASA, and the Friendship House.

Activities Generating Program Income

The Neighborhood Restoration Program generates program income from loan repayments. Any Community Development Block Grant program income earned by the Neighborhood Restoration Program is returned to the City's letter of credit and allocated to another eligible rehabilitation project.

The City also receives program income from rental/lease income on buildings that were partially funded with Community Development Block Grant dollars. The income is paid monthly, quarterly or annually. The income is approximately \$6,100 per year and the funds are used as a contingency fund or reallocated to eligible Community Development Block Grant programs.

The Rapid City Community Development Corporation, Teton Coalition and Black Hills Area Habitat for Humanity programs occasionally generate program income with the repayment of loans. Those funds are required to be reported to the City when received and expended. Funds are retained by the sub-grantees in their accounts, and are required to be expended prior to additional draws on their remaining grant funds.

UNDERSERVED NEEDS IDENTIFIED FOR THE RAPID CITY AREA

High priority needs for Rapid City have been identified in the Five Year Consolidated Plan and activities undertaken are chosen to meet those needs.

Mayor Jim Shaw formed a Housing Task Force in the last quarter of FY 2004 to examine the growing gap in housing affordability in Rapid City and develop a five (5) year plan to address the needs and shortages that are identified by our community. The Housing Task Force discussed homelessness and affordable housing issues, needs, solutions, and possible funding sources. The following are the underserved areas needing to be addressed to end homelessness in the Rapid City area, in order of priority:

- a) Shortage of Section VIII housing voucher funds for low and very low income renters;
- b) Lack of livable wage jobs and money for job training programs for low-income people;
- c) Lack of transitional housing for homeless women and children or abused persons;
- d) Lack of transitional housing for homeless persons needing supportive services for mental illnesses or substance abuse problems;
- e) Lack of transitional housing for parolees or persons with felony records;
- f) Lack of permanent housing for persons with substance abuse issues;

- g) Lack of permanent housing for parolees or persons with felony records;
- h) Lack of available funding for low-income persons for rehabilitation for mobile homes;
- i) Aging housing stock with major structural issues and a lack of funds for rehabilitation;
- j) Shortage of affordable single family housing for low-income home buyers; and,
- k) Shortage of funding for retrofitting homes for handicap accessibility.

OBSTACLES TO MEETING UNDERSERVED NEEDS

a) There is a lack of affordable rental housing for very low income residents. While Rapid City is approaching an adequate number of rental units for the city, the cost of most of the apartments is still out of reach for the low-income household. The market rate rent for a two bedroom apartment in Rapid City is \$639 per month, and South Dakota Housing Development Authority's affordable rent limit for 2005 is \$609 per month. For the minimum wage income person, \$609 per month is more than sixty-eight (68%) percent of their gross monthly income. There exists a shortage of funds for the number of residents needing and qualifying for the Section 8 certificate and voucher programs. The residents on waiting lists for public housing units, or Section 8 certificates and vouchers, have seen the wait list time shortened; however, the average wait time on the list for a public housing unit can still be from six weeks to six months. Two bedroom units are the smallest inventory of the public housing authority and have the longest waiting list. Three bedroom units are a large part of the public housing authority inventory and have the shortest waiting list. Apartments for elderly tenants normally have a three to six month waiting period before a unit becomes available. Families, elderly, and the disabled have priority on the waiting list. It can be a much longer wait for those who do not qualify under one of the priority categories. Once a person's name reaches the top of the list for a voucher or certificate, it can be up to sixty (60) days before a program eligible unit becomes available to rent. The low vacancy rate among the participating units is credited for the length of time.

b) Rapid City is primarily a service industry community. Wages for service industry jobs tend to be minimum wage or low wage positions. Housing costs are comparable to much higher cost-of-living areas creating a large and growing gap in affordability. Without livable wage jobs, the disparity between wages and living costs will continue to be the major cause of homelessness and financial crisis in the community.

c, d, & e) Transitional housing for the homeless, women, children, the abused, persons with substance abuse issues and parolees is almost non-existent in the community. Persons experiencing homelessness usually need some sort of supportive services, case management

or job training, for a period of time that can range from six (6) months to two (2) years, in order to be successful upon re-entering independent living. Corner Stone Rescue Mission has clients who have become long term residents because there are no other places for them to go. Funding resources have been decreasing over the past few years and local social service agencies have had neither the money nor staff to establish and operate transitional facilities on their own.

f & g) It is difficult to obtain public support for permanent housing for parolees, persons with substance abuse issues and persons with felony records. Facility location is difficult and private funding sources needed for leveraging federal dollars are limited for addressing these types of issues. However, the very fact that permanent housing is difficult to obtain, or not available to these groups of people, is a major factor in their return to jail, substance abuse or life on the streets perpetuating the problem. Permanent, safe, affordable housing and a livable wage are needed for them to succeed in returning to productive lives.

h) Many low-income people own older mobile homes in need of repairs or rehabilitation that they cannot afford, and they are unable to access low cost loans for the funds needed. Traditional lenders often will not loan money for repairs on mobile homes as they are not considered real estate if they are located on a leased lot. Mobile homes also tend to decrease in value and therefore are not considered good collateral. Repairs done to a mobile home may negate the warranty on the home or be very difficult to accomplish, since there are no standard materials or sizes, and the walls can flex, making new window or door installment very difficult. The cost of needed repairs could exceed the value of an older mobile home, which would not be cost effective, from a lenders point of view.

i) The 2000 Census showed that Rapid City had 25,127 housing units, and of those, 34.8%, or 8,733 homes, were over 40 years old, the age threshold commonly used to signal a potential deficiency in condition. Within four (4) more years, another 3,420 homes will exceed the 40 year threshold, increasing to 48% the number of potential homes needing rehabilitation. The majority of the older housing stock is found in Census Tracts 102, 103, 104, 105, 106, and 111, which are also the low-income Census Tracts, with the inclusion of Census Tract 114. This means that the majority of the housing available to low-income households is housing over 40 years old and in potential need of rehabilitation.

In addition to the aging housing stock, another issue that affects the condition of existing homes is over crowding. Shortages of affordable housing and housing vouchers or subsidies causes multiple family units to “double up” in one housing unit until the homeless family can stabilize itself and earn enough money to move out on their own again. The overcrowding can

cause accelerated wear and tear on a home, affecting the overall condition and lifespan of the unit.

Homeowners could withdraw equity from their home, if any exists, to pay for needed repairs, as long as they can qualify financially for the loan. Many low-income people find it difficult to qualify for, or afford, equity loans on their homes. The only other resources available at this time, to assist low-income homeowners with rehabilitation of their homes in Rapid City, are the Weatherization Program offered by Western South Dakota Community Action, and the City of Rapid City's Neighborhood Restoration Program. Funding for the programs is limited and demand usually exceeds the funds available. Both of these programs limit the types of work that can be done with the funds and the programs can only be used by an applicant one time. Therefore, a person may not be able to accomplish all needed work with the funds available.

j) The lack of affordable lots within the City limits continues to be the primary obstacle to low-income housing development. Affordable housing has become more difficult to achieve due to rising infrastructure costs, increasing land costs, high property taxes and the rising cost of homeowners insurance. The Teton Coalition, Rapid City Community Development Corporation and Habitat for Humanity struggle to find affordable properties to purchase, on which they can build homes. House values have risen another eight (8%) percent over the past year. The average lot cost now exceeds thirty thousand dollars (\$30,000) within the corporate limits of Rapid City. The construction cost on an affordable starter home, without a lot, has risen in the past year from ninety thousand (\$90,000) dollars to approximately one hundred thousand (\$100,000) dollars. Costs for starter homes, including the lot, have risen to more than one hundred thirty thousand (\$130,000) dollars. The average sale price of a single family home in Rapid City is now one hundred forty-six thousand (\$146,000) dollars. However, minimum wage remains at \$5.15 per hour and the HUD median income for Rapid City has not increased over the past year. Most of the new construction and development in Rapid City has been for upper end homes and placement of starter homes in those developments has not been feasible due to restrictive covenants on the size and amenities required. The affordability of a starter home has also been affected by rising property taxes resulting from higher property values and increases in homeowners insurance, which further reduce the loan amount a borrower can qualify for.

There are very few assistance programs available to assist low-income home buyers in the Rapid City area, and most of them have a low-interest monthly payment requirement, therefore utilizing the assistance program actually reduces the qualifying purchase price because the payment must be included in the debt ratio. That type of assistance works well for

borrowers who have no real problem qualifying for the loan amount, but are just short on the cash needed for closing costs. It does not help the buyer who has a low-income and can not qualify for the beginner home. In many cases, the low-income home buyer is already paying the same amount for their rent as the house payment would be, but their debt ratio is higher than allowed for the loan programs.

Over the past several years, a number of multi-family projects have been constructed in the Rapid City community including both open market rentals and HOME funded or Low-income Housing Tax Credit projects (LIHTC). Although these units provide greater inventory and choices for the renters in our community, the issue of cost for these units, for low-income residents, still remains. One of the main obstacles in meeting the underserved needs is the ability of developers to access financial resources that allow the construction, renovation, or acquisition of dwelling units where rents can remain affordable. The only funding available from federal resources has requirements of rent caps or for length of affordability of the project. Most developers do not have the time or staff to gather the information, complete the applications and do the follow-up required to compete for Low-income Housing Tax Credits or HOME dollars that are available in the State of South Dakota. Developers also struggle with costs of development for sites in our community. The last quarterly vacancy rate survey completed by the Rapid City Economic Development organization in February, 2005 identified a vacancy rate of 2-3%.

k) Retrofitting existing homes and apartments for handicap accessibility is costly and can be difficult to do. As the "Baby Boomer's" age, needs for more accessibility aids are growing. Since many of those needing the aids are on pensions or disability, they are unable to do the work themselves and cost is a major factor. Many of the persons needing the adaptations are renters and landlords are not willing to expend the funds to accomplish the retrofitting, or allow the tenant to make the changes to their rental unit. Funding for handicap accessibility rehab is very limited. HUD funds to aid landlords willing to make the additions or changes needed for handicap accessibility are time consuming and difficult for landlords to access, and could be costly if relocation requirements are triggered. There is not a lot of community support for local governments to provide funds to landlords for use on their investment properties, even if it will assist a low-income or handicapped individual.

The Western Resources for dis-abled Independence Program and the City of Rapid City's Neighborhood Restoration Program are the only two assistance programs available to low-income residents for handicap accessibility rehabilitation, and funding is limited. The City's Neighborhood Restoration Program can only be used for low-income owner occupied homes.

PROGRESS IN IMPLIMENTING GOALS AND OBJECTIVES

In FY 2004, the City did not deviate from the stated goals and objectives.

Addressing Obstacles to Meeting Underserved Needs

a) An increase in the allocation for certificates and vouchers by Congress would be beneficial to all communities in overcoming the underserved needs. The City of Rapid City is encouraging developers to access HOME funds and Low-income Housing Tax Credits to construct additional units as a way to increase additional affordable units in our community. The use of CDBG funds to assist developers with HOME or tax credit projects should be considered to encourage development of additional affordable units in our community. CDBG funds could be used to help with site improvements not directly related to the construction of the dwelling units.

b) The City of Rapid City supports and actively pursues economic development projects that will benefit the citizens of Rapid City and the surrounding area. The Rapid City Area Economic Development Partnership has an extremely active, focused program in place working to attract quality, primary jobs that bring new wealth into the community, as well as helping local companies expand and retain jobs. The Partnership also has joint ventures with the Governor's Office of Economic Development and the Black Hills Business Council (other Black Hills communities).

Other organizations working to increase economic development opportunities in the community are SCORE, the REDI Fund, the South Dakota Future Fund, the Rapid Fund and The Foundation. The Rapid Fund is a below market rate loan program for business expansion, relocation, or start-up. The loan fund focuses on the development of primary jobs in the areas of manufacturing, processing and service exporting. These kinds of jobs have historically provided higher than average wages and benefits and have acted as a stimulant to the economies in which these types of jobs are developed. The Rapid Fund is an important part of Rapid City's economic development program and an important link in our effort to create quality job opportunities for Rapid City's people. The Foundation owns and operates Rushmore Business Park (previously Rushmore Industrial Park) and South Creek Industrial Park for the purpose of maintaining an inventory of land available for economic development purposes. This will help the Foundation and Partnership market private sector real estate. At the current rate of growth, it appears it will be necessary to have additional lands available for future development.

The City has also supported the creation of a Small Business Incubator, which helps start-up businesses through the difficult first couple of years of operation. Incubators have shown that they can improve the success rates of small, start-up businesses, and statistics show that small businesses are responsible for most of the new jobs created in this country.

c - k) The City of Rapid City supports the Black Hills Region Homeless Coalition activities and their participation with the state-wide homeless consortium. The Coalition conducts meetings of local service providers to discuss ways of reaching out to the homeless and addressing the needs for emergency shelter, transitional housing and supportive services. The Black Hills Region Homeless Coalition participated in the HUD point-in-time homeless count held on January 25, 2005. Results from the point-in-time count were shared with all the member agencies and the public by South Dakota Housing Development Authority, who compiled the statewide results. The point-in-time homeless count identified 355 homeless persons in Rapid City on that night. Fifty-three (53) of the homeless were children. The count may not be complete as it is believed that many of the homeless people were not accessible that evening, a number would not consent to being questioned, and others may have been “doubled up” with family and friends for the night. It is believed by the professionals working with the homeless that there are closer to 850 homeless persons in Rapid City. The School System reports 363 homeless children in their enrollment. In an effort to gain a more accurate count and to gain a better understanding of the reasons that cause homelessness, or contribute to continued homelessness, the Black Hills Region Homeless Coalition has put together an in-depth needs assessment which will be used by service agencies to compile more accurate information about the number of homeless persons in the area, the services they are currently receiving and the services they still need. The needs assessment will help the Coalition to identify more accurately how many people are homeless, what types of housing are needed, what supportive services are needed, and what gaps in services need to be filled in order to eliminate homelessness.

The Black Hills Region Homeless Coalition will continue their joint efforts to do outreach to the homeless and provide the needed services through the social services network created. They are working together on solutions for the challenges facing outreach, counseling, case management and affordable housing for women, children, substance abusers, parolees and other homeless persons. Collaborative efforts allow funds to be used in a more efficient way, with less duplication of services. Partnerships have been formed to develop transitional housing units for women and children, and other projects.

h-k) The City continues to support the development of affordable single-family housing and the preservation of existing housing stock. Tax Increment Financing was approved for use with a second low-income housing development, in an effort to help fill the affordability gap. The City is also looking into the use of funding from Fannie Mae and HUD's Section 108 and HOME programs for affordable transitional, single-family, and multi-family housing. The City recognizes the need to address repair and major structural issues of existing housing stock and mobile homes, with some sort of loan or grant program for low-income homeowners. The City will continue to support, encourage, and provide technical assistance to non-profit organizations that wish to address housing issues in the community.

PROGRESS ON ADDRESSING HOMELESS ISSUES

Homeless Activities

Homelessness occurs for a variety of reasons and the impact of it is far-reaching and costly to communities and the citizens. Affordable housing, better wages, more jobs, medical services, counseling, emergency shelter and transitional housing are all issues that directly affect and impact the issue of homelessness. Rapid City has made all of them high priority activities in the consolidated plan. Funding has and will continue to be awarded to organizations addressing these issues

Working Against Violence, Inc. completed the construction on their new shelter and moved into the facility in March, 2004. The project utilized Community Development Block Grant funds. The new shelter can house up to sixty-five (65) women and children victims of abuse. Their previous shelter housed only thirty (30) people.

Through their collaborative efforts, and in conjunction with the Statewide Consortium, the Black Hills Region Homeless Coalition applied for and was awarded a Homeless Consortium grant for Shelter Plus Care, in the amount of \$739,260. The grant provides rental assistance to provide permanent housing, plus case management services, to homeless individuals with substance abuse problems. The grant will provide twenty-five (25) scattered-site housing units and the supportive services needed to address the substance abuse issues of homeless persons in Rapid City.

The Corner Stone Rescue Mission utilized \$100,000 of Community Development Block Grant funds to leverage private funds and purchase a home for a women and children's transitional housing facility. The home was renovated to accommodate thirty-four (34) residents,

and began housing homeless women and children on in March, 2005. Prior to the new facility opening, women and children were housed in the same building with homeless men. This facility met the need for separate, safe housing for the women and children and helped to lessen the overcrowding at the Mission.

The Corner Stone Rescue Mission continues to partner with Consumer Credit Counseling Service of the Black Hills, Credit Union National Association, Western South Dakota Community Action Agency and the Black Hills Federal Credit Union to provide homeless prevention low interest loans to low-income persons who are unable to access traditional lending sources. The program, Family Financial Independence Loan Program, recognizes that many low-income people are able to get by each month, usually with no money left for savings, as long as nothing unexpected happens. However, if the car breaks down, or one of the wage earners is not able to work, a financial crisis occurs and the person must make a tough decision about what bills will get paid. Traditionally, banks will not do loans under \$3,000 and the person must have good credit. Those with credit issues will be denied loans or offered much higher interest rates and fees through a risk-based lender, title loan companies or pawnshops. Unfortunately, many people will choose not make the house or rent payment because it is the largest single payment in their budget. They could cover five other bills with that dollar amount instead of just one. This often leads to being evicted from their apartment or a foreclosure on their home, loss of utilities due to non-payment, or loss of their car. The loan program is to help them through the crisis period and pay for the car repair, utility bill, or unexpected emergency. The maximum loan amount is \$500 and it is paid back over a 12 – 18 month period of time, depending on the person's financial situation and the loan is offered at a good credit rating market rate, even though credit history and credit score are not considered. The applicant must complete and pass a financial education course, *Credit When Credit is Due*, and a budget counseling session with a credit counselor with Consumer Credit Counseling Service of the Black Hills. Loans are approved based on the budgeting analysis of the person's ability to repay the loan within their current budget. The loan provides the person with the opportunity to get the money they need, establish a relationship with a traditional lender, receive counseling and assistance with their financial situation, education on finances and a way to avoid predatory lending situations.

Corner Stone Rescue Mission, Working Against Violence Inc., Pennington County Housing and Redevelopment Corporation, and Behavior Management System are working together to develop twenty-four units of transitional housing for homeless women and children. They are in the initial phase of organization and planning for the project but have already

received a resolution for financial support from South Dakota Housing Development Authority and have applied to the City of Rapid City 2012 funds. The 2012 Funding Review Committee has recommended this project to the City Council for funding. This project is expected to begin the end of 2006.

Homeless Continuum of Care

The Rapid City Homeless Coalition has been an active participant in the Statewide Homeless Consortium. Agencies work on the continuum of care elements and work together at their monthly meetings to develop solutions to the homeless issues facing their clients. There is a renewed energy among the members of the local homeless organizations and they have been working to find new and additional ways of coordinating services and developing new programs that would put homeless individuals to work, provide them with safe, affordable housing and assist them in ending the cycle of homelessness. Local agencies have developed applications for the Continuum Care Grant Program that expand housing programs that will work toward ending homelessness. The local homeless coalition has defined goals, strategies, and action steps working toward coordinated services and a coordinated intake process.

The Rapid City Homeless Coalition conducts a semi-annual homeless count using the assistance of non-profit organizations, volunteers and local police officers to count individuals residing on the street, in motels and temporary shelters. This has been very effective in locating persons while at the same time offering services that are available in the community. There are a number of motels in the community that rent their units on a weekly and monthly basis during the off-season. These units are included in the count as 'potential' homeless since they are asked to leave before March 15 of each year. People living in the motel units are not technically considered homeless, according to the federal definition, but are classified as those in threat of becoming homeless. The issues regarding persons who temporarily reside in motel units with limited cooking facilities are: 1) the families struggle with day to day survival and don't have the vision to see long term benefits of permanent housing; 2) the majority of temporarily housed families have been evicted out of permanent dwelling units in our community because of destruction to the unit, non payment of rent, or substance abuse; so, they don't have a reference available to go into public housing units or into a permanent unit in our community; 3) and, they migrate back and forth between the Rapid City Community and the two Indian Reservations located within 170 miles of the Rapid City Area.

A Coordinated Service and Case Management Program has been established where all agencies that serve homeless families and individuals attend the monthly meetings to design

individual service plans for each client. This team discusses the clients' needs and determines the lead agency for the client. This Coordinated Case Management Team has been meeting for the past five years and has been successful in serving the homeless while at the same time spreading the funds available to more homeless persons.

The City of Rapid City funds the Salvation Army Social Services Office on an annual basis to provide assistance to persons going into permanent housing. This division of the Salvation Army provides case management services, but also works with the homeless population in an effort to permanently house homeless if they can document adequate income to pay the rent once placed in a permanent housing unit. During FY 2004, the Salvation Army was able to provide services to residents at an average cost of \$276 per person. The Salvation Army utilizes the Community Development Block Grant funds to provide first months rent, utility deposits if needed, and may work with landlords on security deposits. This is a one time only benefit for homeless or near homeless clients seeking assistance. The staff at the Salvation Army works diligently with homeless clients on permanent housing issues.

The Cornerstone Rescue Mission operates the emergency shelter. This facility houses single male and females, but they also have separate rooms for families. They can house sixty-eight (68) males, twenty-eight (28) females, and five (5) families on a nightly basis. In FY 2004, they opened their new Women and Children's Home, which can house up to thirty-four (34) women and children. Within two (2) days, the shelter was at capacity. The residents will receive intensive case management during their stay and will be transitioned out into permanent housing once their situation is stabilized. Homeless persons staying at the shelter for extended periods must participate in daily duties; make some choices regarding employment, drug or alcohol treatment, or move on. The Corner Stone Rescue Mission has instituted community service work; established treatment programs and support groups; and opened a Thrift Store to provide opportunities for employment of homeless persons. The Cornerstone Rescue Mission has implemented several work-training programs. Small business operations hire and pay wages to individuals who participate in the job training programs. These programs train homeless individuals in work ethic, money management, increasing their social skills, and building their self-esteem.

The Continuum of Care has identified priority needs for the homeless:

- 1) continue support of the homeless mission;
- 2) develop a seamless system of services;
- 3) emergency shelter for women and children;
- 4) a day drop-in center for homeless; and,

5) transitional housing for families and individuals.

The Cornerstone Rescue Mission was allocated \$100,000 from CDBG from the FY 2004 allocation to purchase or rehab a property for use as a Women's and Children's transitional housing facility. They were able to purchase a property and have completed the needed rehabilitation. The facility opened in March, 2005 and was quickly filled.

Pennington County Housing and Behavior Management Systems applied for and received HUD's Shelter Plus Care funds through the South Dakota Homeless Consortium for twenty-five (25) scattered-site permanent housing units for dually diagnosed homeless persons. This will provide permanent housing for persons who are homeless and have mental or substance abuse problems that need case management and supportive services in order to live independently.

The Homeless Coalition has also started the process and fund raising for a transitional housing project that will house twenty-four (24) homeless families with children. Residents will receive supportive services and life skills training classes, as needed, to prepare them for transition to permanent housing. It is planned that this project will be ready for residents by early 2007.

PROGRESS ON ADDRESSING HOUSING ISSUES

Fostering and Maintaining Affordable Housing

Rapid City will continue to fund its Community Development Neighborhood Restoration Program, providing financial assistance for housing rehabilitation to homeowners residing within the city limits. The program is the City's major housing activity in support of upgrading and maintaining the current housing stock.

The City continues to support three non-profit housing organizations that do outreach and housing development for low-income households.

- Habitat for Humanity builds homes for very low-income people with the help of CDBG funds, donations from the community, volunteer labor and sweat equity from the prospective homebuyers.
- The Teton Coalition develops housing, provides counseling, homebuyers education, landscaping and home maintenance classes to low-income homebuyers. They also provide supportive services to people whose income is below 60% of the HUD median income for the area through their Homebuyers Club. The Homebuyers Club provides support, assistance and encouragement to the members as they address credit or debt

issues in preparation for buying a home. The Teton Coalition also does outreach into the Native American Community to provide them with assistance and information on the home buying process. The Teton Coalition has worked within Dakota Subdivision to inform families of programs available to assist them in achieving homeownership, and maintaining their homes once they become homeowners. They provided information on what a Homeowners Association is and how it could benefit the area. The Teton Coalition implemented a revitalization program for the Dakota Subdivision that will help beautify the area with landscaping and a welcome wall at the entrance to the subdivision. The Teton Coalition is encouraging owner participation in the design and construction of the welcome wall which will reflect the owners' pride in their neighborhood.

- The Rapid City Community Development Corporation develops, builds and rehabilitates homes, and provides down payment and closing costs assistance for low-income homebuyers. They partner with Consumer Credit Counseling Service of the Black Hills to provide credit counseling, budgeting counseling, financial literacy education, homebuyers education, and program qualifying evaluations to their clients.

Infrastructure costs are one of the limiting factors for the production of affordable housing of all types. The City provided funds to a developer for the infrastructure that will support 72 units of affordable rental housing in Rapid City and is trying to develop other sources of funding for infrastructure costs.

The Rapid City Community Development Corporation has also pursued purchase rehabilitation properties that could be sold to low-income buyers, but the price of existing housing stock has increased dramatically over the past five years and there are very few homes for sale under one hundred thousand dollars (\$100,000) within the City limits. Homes being purchased for rehabilitation would need to be acquired for less than \$100,000 for the project to be cost effective for the non-profit and affordable for purchase by a low-income person. Available homes in the lower price range, tend to have major structural damage that is too costly to repair with the funds currently available.

The City of Rapid City co-hosted a conference for builders, developers, lenders, and local housing agencies in FY 2004 to discuss and encourage community involvement in possible solutions to the affordable housing issues discussed here. The City is examining possible funding sources to assist with the infrastructure costs and acquisition costs. Tax Increment Financing was approved for a low-income housing development to lower the

purchase price to low-income homebuyers, as a trial program. If the program is successful, the City will consider more such projects. The City will support local housing agencies in their attempts to access other funding sources for acquisition assistance for low-income homebuyers from the Federal Home Loan Bank and HUD's HOME funds program.

Another important consideration for preservation of affordable housing is the development of funding to help with the costs of refurbishing older homes, and mobile homes with major repair requirements. Mobile homes have been identified as an affordable housing option that many low-income people utilize. However, deteriorating conditions of the older models and lack of funds for needed maintenance and rehab is becoming an issue that could contribute to additional homeless numbers or persons living in substandard conditions. The Mayor's Housing Task Force will pursue solutions to the problem.

The City of Rapid City has been working with the Weed and Seed Program of North Rapid to address the needs of that area and its residents. Efforts have been made through dialog with the Mayor, the Weed and Seed Renovation Committee, Code Enforcement and the Community Development Specialist to begin clean up and rehabilitation projects. Information about programs available to the residents has been disseminated through public meetings, newsletters and a Town Hall meeting.

Lead-based Paint Hazards – Evaluation and Reduction

Lead based paint regulations have been difficult to advance in Rapid City. The City conducted extensive outreach to contractors in an effort to have a number of contractors complete the certification training in Lead Safe Work Practices. The turn out of independent contractors attending the training was dismal. Two classes scheduled to be held in late 2003 and early 2004 in the South Dakota area were cancelled due to low pre-registration response. No further classes have been scheduled in or close to Rapid City, so attendance by the few contractors interested in attending has not been possible. The City has found that contractors are not interested in working on units where lead tests show high levels of lead paint due to work practices required in order to pass a clearance inspection. The construction activity in the Rapid City community continues to be very strong and the building trade community has had plenty of work on new construction homes, without having to deal with Federal requirements on lead paint. As a result rehabilitation projects that involve lead based paint abatement must be denied due to cost and lack of qualified contractors. Over 50% of Rapid City housing was built prior to 1978, and there are three certified lead contractors working in the community. A visual assessment of deteriorated paint surfaces is conducted by an Independent Home Inspector

conducting home inspections to determine the scope of work needed or required on a home. Any home failing the visual assessment must have lead based paint tests performed prior to any work being scheduled. The City contracts with Western South Dakota Community Action's certified lead inspectors to do the lead assessments on homes in the Neighborhood Restoration Program and other City administered and reviewed projects requiring them. However, the City program has limited funds for rehabilitation costs, which, in many cases, will not cover the cost of the abatement, should it be required. The City is working to increase the number of contractors certified to work on lead paint projects.

ECONOMIC OPPORTUNITY

Reducing the Number of Poverty Level Families

Rapid City is a caring community that is working to ensure that those in need have food, clothing, shelter and the supportive services they need.

The Housing Task Force has identified the need to develop more training programs and new job opportunities for low income persons, to help raise their income earning potential. The City is working with non-profits to explore economic development opportunities that can be utilized in conjunction with their programs to provide on the job training or new jobs for their clients.

One Stop Job Services, Western Dakota Technical Institute, the One Stop Career Learning Center and the continuing Adult Basic Education programs work closely with the economic development effort to provide training programs that will meet the needs of the new businesses. These organizations encourage unemployed and under employed individuals to participate in the various training programs to obtain the training and technical knowledge necessary to compete for new jobs that are created in the community. The One Stop Job Services and One Stop Career Learning Center have been extremely successful in working with Temporary Assistance to Needy Families (TANF) clients and adults that have never completed high school, or have never been employed by instituting programs that will increase their job skills and education. The public housing authority is working with families in their housing units through the Family Self Sufficiency Program whereby residents sign an agreement setting forth certain actions they will take to become self sufficient.

Rapid City also works cooperatively with numerous social service organizations that provide direct services to low-income residents. The organizations provide services that assist

residents in providing for basic life necessities. The organizations work to provide for the independence of the residents while they are access programs that will provide training or education that increases their earning capacity. The Welfare Reform Initiative called Temporary Assistance to Needy Families (TANF) provides participants with payments to assist with essential needs such as food stamps, Medicaid coverage, and rental payments for a period of time while the participants, or their parent or guardian, are able to obtain the necessary training or education to obtain a job. Because seventy-five (75) percent of the participants are children, the goal of the program is to stabilize the adults in the work force so they may sustain their families through their own efforts.

It has also been determined that financial education, basic budgeting skills and various life skills classes are necessary to help the people make better decisions regarding how they handle their finances. Consumer Credit Counseling Services of the Black Hills provides financial education classes to the community and works in partnership with the Corner Stone Rescue Mission, the Teton Coalition, the Rapid City Community Development Corporation and other non-profit social service agencies to provide budgeting and credit counseling to their clients.

Economic Development

The Rapid City Economic Development Partnership has an extremely active, focused program in place working to attract quality primary jobs that bring new wealth into the community, as well as helping local companies expand and retain jobs. The Partnership also has joint ventures with the Governor's Office of Economic Development and the Black Hills Business Council (other Black Hills communities).

The City of Rapid City utilizes a portion of a one-half percent (1/2%) sales tax fund to provide financial resources to the Economic Development Partnership, who in turn provides loans to existing businesses for expansion, or to new businesses who locate in the Rapid City community. The Rapid Fund is a below market rate loan program for business expansion, relocation, or start-up. The loan fund focuses on the development of primary jobs in the areas of manufacturing, processing and service exporting. These kinds of jobs have historically provided higher than average wages and benefits and have acted as a stimulant to the economies in which these types of jobs are developed. The Rapid Fund is an important part of Rapid City's economic development program and an important link in our effort to create quality job opportunities for Rapid City's people.

The Rapid City Area Economic Development Foundation developed the Rushmore Business Park the Rushmore Industrial Park and the South Creek Industrial Park for the purpose of maintaining an inventory of land available for economic development purposes. At the current rate of growth, it appears it will be necessary to have additional lands available for future development.

The City has also supported the creation of a Small Business Incubator, which helps start-up businesses through the difficult first couple of years of operation. Incubators have shown that they can improve the success rates of small, start-up businesses, and statistics show that small businesses are responsible for most of the new jobs created in this country. These efforts are designed to raise wages and to reduce the number of persons living below the poverty level in the community. A plan has been developed to pursue the development of a Technology Corridor, which would attract businesses that would hire students graduating from local universities, training programs and the general population. The companies would employ people in higher wage jobs. These jobs would provide benefits, which may include higher education subsidies for employees, health care benefits, and retirement plans. The Welfare Reform Act has been instrumental in putting people to work and businesses in the community have been able to provide the kinds of jobs that welfare recipients can obtain. The Economic Development partnership works closely with the Welfare to Work legislation, the Job Training Partnership Act funding sources, and the Career Learning Center in an effort to provide continual education and training to maintain an employable work force for businesses moving into the Rapid City Community.

DEVELOPING INSTITUTIONAL STRUCTURES

The City of Rapid City supports the development of public, private, non-profit and for-profit organizations that provide needed support and services to the residents of the community. The Rapid City Growth Management Department provides technical support to agencies and organizations that are interested in utilizing Community Development Block Grant funds. The Community Development Specialist also serves as an advisor to the boards of the South Dakota Homeless Consortium, the Black Hills Region Homeless Coalition, the Rapid City Community Development Corporation and the United Way Day of Caring and Sharing, providing guidance and technical advice for projects they wish to undertake.

Non-profit agencies, social services, health care providers, public institutions, and private industries are all instrumental in formulating and carrying out the Consolidated Five Year

Plan and the Annual Action Plans. Services provided by their organizations help to stabilize families, teach life skills needed to retain, maintain and sustain their home life and housing, provide financial assistance to prevent homelessness, provide counseling, financial literacy and homebuyers education to provide households with the support needed to be successful tenants and homeowners. Funding is provided to organizations to carry out those activities identified as priorities in meeting the needs of the community.

The Rapid City Growth Management Department serves as the lead agency in defining housing needs within the community. Non-profit organizations interested in developing housing, bankers interested in working with developers, direct service providing agencies dealing with clients needing affordable housing, and the general public desiring information on services available all contact the Growth Management Department for assistance and guidance on how to achieve their goals. All of the contact information received assists the City in staying informed about what is being proposed for affordable housing development in Rapid City. Contact with South Dakota Housing Development Authority regarding applications assists the City in knowing the number of units being constructed and alerts the City to any development issues that might be occurring in certain neighborhoods – such as over concentration of multifamily housing units.

The Rapid City Growth Management Department also works closely with the non-profit organizations in the community, which allows the City to stay abreast of all needs of low-income residents, not just housing. The Staff continues to reach out to the community through the Chamber of Commerce, neighborhood organizations and service clubs, so that gaps in the delivery system of services can be minimized and education of the business leaders as to the needs of the low-income residents is accomplished, in addition to sharing the success stories of the assistance provided by the community.

The Rapid City Weed and Seed program is a federally funded program that works with neighborhood associations, neighborhood watch groups, residents, business owners and local social services to provide information and support for neighborhood revitalization in North Rapid. The Weed and Seed Program has worked with business owners and the police department to increase safety along Rapid Creek with a clean up of overgrown areas. They have also worked with local business owners to combat vandalism, disorderly conduct and to implement beautification programs for their designated business areas. The Community Development Specialist has spoken at various Weed and Seed meetings about the programs available in the community to assist their members in the revitalization efforts.

ENHANCING COORDINATION BETWEEN PUBLIC AND PRIVATE HOUSING AND SOCIAL SERVICES AGENCIES

Public Housing

The Pennington County Public Housing Authority works very closely with the City, and the Growth Management Department, and seeks input annually when developing and updating their Comprehensive Improvement Program for public housing units in the Rapid City community. The public housing stock in Rapid City is very well maintained and generally blends in with the neighborhood where the units are located. Annual improvements are undertaken to up grade the aesthetic value as well as the functionality of the units. Improvements such as maintenance-free siding, replacement fixtures, new appliances, and replacement carpet all help in containing costs for both the housing authority and the tenants.

The Public Housing Authority has determined that they have no interest in selling off public housing stock for home ownership, but would be willing to work with other funding sources available to establish a home ownership program for public housing residents. They have also shown a willingness to assist non-profit organizations developing transitional housing and permanent housing for homeless or hard to house persons. The Pennington County Housing and Redevelopment Commission has formed a non-profit foundation and has developed some affordable housing units using Low-Income Housing Tax Credits and HOME funds. They continue to look at all options to assist public housing tenants obtain homeownership. Pennington County Housing and Redevelopment also has partnered with Consumer Credit Counseling Service of the Black Hills to provide budget counseling and financial literacy education to their tenants who become delinquent on rent payments. The Housing Authority will provide a delinquent tenant with information regarding the budget and credit programs that Consumer Credit Counseling Service of the Black Hills provides to assist the tenant with their financial problems. The counseling session and financial education program are provided for free to Pennington County Housing and Redevelopment tenants. The program is designed to be an early intervention in the hopes that the tenant's financial issues can be addressed before they are at risk of being evicted.

The Housing Task Force has discussed the possibility of assisting Section VIII voucher recipients, who wish to own their own home, become qualified for home ownership. Pennington County Housing and Redevelopment Commission is interested in working with any agency who wishes to pursue a Section VIII homeownership program. The City and the Housing Task Force encourages local housing agencies to develop a Section VIII voucher program.

Social Services

The Rapid City Growth Management Department works closely with numerous social service agencies, non-profit developers, for-profit developers, public housing authorities, and the local banking community in an effort to attain the strategic goals and objectives the City has identified in the City's Consolidated Plan. The Community Development Specialist also participates in a number of advisory committee meetings and works with several agencies in an effort to provide information to organizations regarding funding availability or needs identified in our community in which services are sought. The Rapid City Growth Management Department provides information to developers interested in developing affordable housing units in the Rapid City area, and when needed provide a certificate of consistency for projects meeting the City goals in the consolidated plan. The City supports such projects with letters to financial institutions and other private and public funding sources identifying the community's housing needs and how their support would be beneficial in accomplishing those goals.

Each year, the City of Rapid City conducts a public meeting to receive input from social service organizations, neighborhood organizations, non-profit and for-profit developers, the Public Housing Authority and interested citizens regarding the needs in the Rapid City community. The information is also used as a catalyst for projects needed in the community and also as an information resource for people seeking to participate or develop additional services for the community. The City utilizes this information when considering what types of projects to fund with their annual allocation of Community Development Block grant funds.

The Rapid City Growth Management Department facilitates networking among the various public, private and social services through program knowledge and involvement. The City seeks to encourage partnerships among all of the organizations to reduce duplication of services and maximize utilization of funds. The City also attempts to bring together parties who have complimentary strengths, goals and desires who may be able to work together to achieve their mutual goals.

From year to year the needs for direct services to low-income families and children keep growing. Although it is not desirable to have non-profit organizations become dependent on federal funding sources, reductions in other funding sources have affected the non-profit organizations' abilities to provide services to low-income residents and balance their budgets. The numbers of people needing assistance have grown from year to year, but funding sources have steadily decreased, making the delivery of these much needed services more difficult, and the needs of more people are going unmet.

LEVERAGING OF RESOURCES

The City of Rapid City successfully utilized the CDBG funds to leverage numerous other public and private funding sources. The non-profits that provide direct services all accomplish local fund raising drives to help supplement their existing operational budgets. The Rapid City Community Development Corporation provides zero (0%) percent interest construction loans by utilizing the two hundred twenty-seven thousand dollars (\$227,000) that local banks and a credit union provided as donations to the Rapid City Community Development Corporation for the purposes of furthering affordable housing. Habitat for Humanity utilizes CDBG dollars for lot acquisition in addition to the donations from private individuals, member churches, local businesses, volunteer construction workers and sweat equity from the homebuyers to complete construction on their homes. The Teton Coalition utilizes private donations from individuals, local churches, lenders and the other federal funding sources to support their development of affordable housing. Rapid City's Community Development Block Grant funds are used by the agencies as leverage to receive other grant funds from private foundations, local businesses and individuals who are supportive of the programs provided to the residents of our city. Affordable multi-family housing developments, such as the Gandolf Group, have used HOME funds, Low Income Housing Tax Credits (LIHTC), Community Development Block Grant (CDBG) funds, developer equity, Tax Increment Financing (TIF), Infrastructure Development Partnership funds and Federal Home Loan Bank (FHLB) grants to complete their projects. The Corner Stone Rescue Mission leveraged funds from the Credit Union National Association, Western South Dakota Community Action and Consumer Credit Counseling Service of the Black Hills to provide the Family Financial Independence Loan Program to low-income people. Behavior Management Systems and Pennington County Housing have leveraged funds from the Continuum of Care Grant,

CITIZEN PARTICIPATION

The City recognizes the obligation to provide adequate information to citizens regarding those programs through which they may seek funding. Information received through public input at meetings and during comment periods is disseminated to organizations, the public, and businesses. The City also encourages public participation in the planning and decision-making processes conducted for the Community Development Block Grant Program and the City Consolidated Plan. Full public access of information pertaining to the CDBG program is

provided to citizens, public agencies, and other interested parties, including those most affected by proposed activities. Affirmative efforts will continue to be made to make information available to citizens, and to encourage their submission of views and proposals, especially those of low, very low, and extremely low income and to those residing in slum and blighted areas and in areas where funds from Federal or State programs are proposed to be used. Citizens have the opportunity to offer their comments regarding the CDBG program in writing to the Rapid City Growth Management Department, or in person at public hearings and City Council meetings. Thirty-day comment periods are held to collect public input on CDBG fund allocations, the Annual Action Plan, the Annual Performance Report and the Five-year Consolidated plan. The City publicizes all hearings, grant application periods, funding proposals and decisions and grant related training programs to the public by use of emails, letters and newspaper ads. The City provides a notice in the Rapid City Journal and the Lakota Journal stating that the Annual Performance Report is available for review and interested persons are encouraged to provide comments on the performance of the CDBG program during the program year. This is a large notice, designed to draw attention to those who may be interested. Community residents, historically, do not attend public hearings or meetings, and are not interested in commenting on issues that do not directly affect them. Notices of public meetings are mailed to non-profit organizations, neighborhood watch organizations, and individuals interested in the CDBG program to encourage their input and attendance at these meetings. Public meetings are typically held in the early evening to allow people who work during the day to attend. Although this has increased participation, the number of people attending the hearings remains small. The Consolidated Plan, the Annual Action Plan and Performance Reports are posted on the City website along with other notices pertaining to the CDBG program.

FAIR HOUSING

The City of Rapid City completed an Analysis of Fair Housing Impediments study in August 2002. The analysis revealed a number of impediments including development costs and fees, the neighborhood objections, the lack of emergency and transitional housing units, a lack of affordable housing units, low-income and wage levels, and housing discrimination. The City conducted public meetings to discuss the report, the conclusions and recommendations and received input and recommendations from interested parties. The Report was submitted to the City Council for their acceptance in of August, 2002.

Dakota Plains Legal Services provides high quality, direct civil legal assistance to low-income residents in matters with their landlords, eviction proceedings and foreclosure actions. They are a private, non-profit community and legal services program and the only one in the area that provides free or sliding scale services to low-income or elderly clients. They serve approximately 1,200 people a year. Dakota Legal Services also provides community education seminars on tenant rights, predatory lending, and other pertinent issues affecting people in the community. In FY 2004 Dakota Legal Services provided five (5) education programs to the community on new Medicare changes, landlord and tenant education, and living wills and durable power of attorney.

In March 2005 a Fair Housing seminar was held in Rapid City by the North Dakota Fair Housing Council.

The City provides Fair Housing booklets to the public on an ongoing basis. Booklets are placed at the information desk in the City Administration Building and are also available in the Growth Management Office. Booklets on Fair Housing and Lead Based Paint Hazards are given out to all applicants of the City Neighborhood Restoration Program. In March 2004, and April 1, 2005, the City participated in the Black Hills Area Builders Home Show. The City had a booth at the Home Show and provided Fair Housing and Lead Based Paint Information booklets to the public, in addition to information on the Neighborhood Restoration Program. A Fair Housing Seminar was offered to the public addressing predatory lending by Consumer Credit Counseling Service of the Black Hills in partnership with the Northern Hills Federal Credit Union, in March, 2005.

SELF EVALUATION

The Rapid City community works diligently with non-profit agencies, developers of affordable housing, and city departments in an effort to identify and plan improvements that support the overall Consolidated Plan high priority goals. The City was successful in reaching and providing assistance to many Rapid City citizens through eligible CDBG programs in FY 2003. **Some of the priorities that were addressed through the use of CDBG funds were:**

- 1) *providing land acquisition funds to non-profits for construction of affordable housing for homeownership by low-income persons;***
- 2) *provide assistance for down payment and closing costs for low-income homebuyers;***

- 3) provide funding to non-profit agencies to assist with direct services to low-income residents consisting of counseling, legal services, mentoring programs;**
- 4) homeless housing assistance for permanent housing;**
- 5) infrastructure improvements assisting development of affordable rental housing units;**
- 6) acquisition of property for a shelter for homeless women and children;**
- 7) public facilities improvements on buildings providing transitional housing for low-income populations; and,**
- 8) provide funding to non-profit agencies to assist with direct services to disabled persons.**

The community's decision makers have continued to demonstrate both a commitment to, and an understanding of, community development activities and goals throughout the past year. The City Subsidy Committee evaluates projects with the priorities of the Consolidated Plan in mind, helping to create a community development plan that meets the needs of the people.

The City Council supports neighborhood revitalization with both staff time and local funding. The City's Neighborhood Restoration Program accomplishments were limited due to an administrative assistant staffing vacancy in the Community Development division, which was not filled until the end of February, 2005. The Community Development Specialist has been actively marketing the program to the community, applications have been processed, and now that the weather is warming up, work will be able to proceed on the selected projects. The Rapid City Community Development Corporation, Habitat for Humanity and the Teton Coalition still struggle to find affordable lots to purchase. The approval by City Council of the additional use of funds for down payment and closing costs by the Rapid City Community Development Corporation has helped overcome the property acquisition issues. The reallocation process was approved in November, so results were not realized until the end of the fiscal year. In spite of those issues, the City was able to accomplish almost all of the Annual Plan goals and again reached more people than estimated with the services provided. Over the past year, new partnerships among the non-profit agencies, the for-profit developers, and community groups have opened up new avenues for development and revitalization in the community. We are also examining new programs and funding sources that will provide more opportunities for housing development and affordability for low-income homebuyers.

The Rapid City community works in partnership with other agencies in an effort to make our federal and local resources stretch further, so more people can benefit from the activities within our community.

The South Dakota Housing Development Authority, Fannie Mae, and HUD have been working with the City and the Housing Task Force to explore ways that the community can access additional housing and economic development funding sources for the projects we wish to accomplish. Their technical guidance will make it possible for the community to put together more projects that will benefit the low income population.

Community Development Block Grant funds were used successfully to help a broad spectrum of people with a wide range of needs. CDBG funds helped provide safe, secure, affordable housing, family support and counseling, services for the young and the old, legal services and advocacy, facility improvements that benefit low-income persons, and shelter for the homeless. Funds were leveraged for maximum benefit and as a result, thousands of Rapid City residents were provided with the services they needed.

Community Development Block Grant funds are very important to the well being of the community and its residents. The City of Rapid City is grateful for the funds and support that we receive from Housing and Urban Development and the flexibility that the funds allow the community in meeting the needs of the community's residents.

PROGRESS ON ACTION PLAN

Rapid City made good progress on the Annual Action Plan for FY 2004. Twenty-one (21) projects (excluding Administrative Funding and Un-programmed Funds) were in progress in FY 2004, with eleven (11) projects completed prior to the end of the fiscal year. Two (2) of the projects were completed but final draws were paid out after the close of the fiscal year. The eight (8) remaining projects are still in progress. One hundred percent (100%) of the funded projects met high priority needs of the community and served low income people.

(Please see page 7, FY 2004 Action Plan Activities Progress on Action Plan)

PERFORMANCE MEASUREMENT SYSTEM

The City of Rapid City strives to utilize the Community Development Block Grant funds it receives to meet the needs and objectives of the community in the most fiscally responsible way possible. The City has developed a performance measurement system to be used in grant

application evaluations and performance reviews to ensure that the money granted services the largest number of people and addresses as many of the high priority needs of the community as possible, as identified in the Five Year Consolidated Plan and Annual Action Plans.

The City has modified the grant application to collect information on the target market, how many people the funds will service or benefit, what services will be provided, and what the outcomes of those services will be. This information will be used in application evaluations for funding. Contracts with Sub-recipients are written to include the expected goals, accomplishments and outcomes for the funded programs. Sub-recipients are required to report at least quarterly on their progress for achieving the stated goals, accomplishments, and outcomes. End of year reports will summarize their achievements and those figures will be used in evaluating the success of the Sub-recipient's program and the Community Development Block Grant program in meeting the goals of the City's Annual Action Plan and Five Year Consolidated Plan.

APPENDICES

- I. Map of Project Locations
- II. 5 Year Consolidation Plan Goals and Accomplishments
- III. Publications

**5 Year Consolidated Plan Goals and Achievements
(2003 - 2007)**

PRIORITIES	5 YR GOALS	2003	2,004	2005	2006	2007	
Program Administration & Planning	\$608,000						
Program Administration & Planning	\$600,000	\$46,928	\$51,680				
Fair Housing Activities	\$8,000	\$5,000	\$0				
Other	\$125,000						
CDBG Assistance to Institutes of Higher Education	\$75,000		\$0				
Unprogrammed Funds	\$50,000		\$0				
HOUSING							
Preserve Owner-Occupied Housing Stock (Rehabilitation)	60 Homes		\$7,356				
Extremely low income	10 units						
Very low income	25 units	2 (City Rehab Program)	2 (City Rehab Program)				
Low income	25 units		3 (City Rehab Program)				
Support Home Ownership (for extremely low, very low & low income renters)	20 Households						
Extremely low income	2		2				
Very low income	8		3				
Low income	10	6 completed (6 more started)	7				
Rentals - Create New Affordable Rental Housing	100 Rental Units						
<i>Small Related:</i> Extremely low income	30	Project started - Gandolf - 15 units Very Low & 57 units Low (see infrastructure)	15				
Very low income	10		25				
<i>Large Related:</i> Extremely low income	15						
Very low income	5		37				
<i>Elderly:</i> Extremely low income	25						
Very low income	2						
<i>Other/Special:</i> Extremely low income	8						
Very low income	5						
HOMELESSNESS							
Individuals							
Permanent Housing - Beds or Units							
Case Management - Supportive Service							
Life Skills Training - Supportive Service							
Chronic Substance Abusers							
Dually-Diagnosed							
Victims of Domestic Violence							
HOMELESSNESS (Continued)							
Families with Children							
Emergency Shelter - Beds or Units		50 Beds - \$100,000 (WAVI)	34 Beds \$100,000 - Corner Stone Women & Children 1,329 people \$3,500 - WAVI				
Transitional Housing - Beds or Units							
Case Management - Supportive Service							
Life Skills Training - Supportive Service							
Chronic Substance Abusers							
Dually-Diagnosed							
Victims of Domestic Violence							
Support services for outreach and referrals.		7,295 People - \$12,000 (Homeless Coalition)					
NON-HOUSING COMMUNITY DEVELOPMENT NEEDS							
Economic Development	\$20,000						
	\$20,000						
Infrastructure	\$600,000						

**5 Year Consolidated Plan Goals and Achievements
(2003 - 2007)**

PRIORITIES	5 YR GOALS	2003	2,004	2005	2006	2007
Water/Sewer Improvements	\$250,000	\$246,500 - Gandolf 72 apartments for low inc.	\$9,500 City - Lot for natural drainage basin			
Street Improvements	\$250,000					
Removal of Architectural Barriers	\$100,000	\$112,600 - Corner Stone Elevator utilized by approximately 3,000 people				
Public Facilities	\$1,275,000					
Public Facilities and Improvements - General	\$675,000		\$84,416 Behavior Management Systems			
Neighborhood Facilities - support improved living environment	\$500,000		\$8,233 RC Club for Boys			
Parks & Recreation Facilities	\$100,000					
Public Services	\$450,000					
Public Services - General	\$334,000	1,200 People - \$35,250 (YFS, Senior Companions, Friendship House, WDCAA, Salvation Army)	2,015 People - \$43,300 (Salvation Army, YFS, WRDI)			
Handicapped Services	\$10,000		72 people - \$5,663 WRDI			
Legal Services	\$50,000	1,908 People - \$27,800 (CASA, Dakota Legal Services)	1,950 People - \$22,099 (CASA & Dakota Legal Services)			
Transportation Services (Low Priority)	\$6,000					
Substance Abuse Services	\$50,000	9 people - \$5,100 (Friendship House)	9 people - \$5,400 (Friendship House)			
NON-HOUSING COMMUNITY DEVELOPMENT NEEDS (Continued)						
Senior Programs	\$420,000					
Senior Services (Low Priority)	\$20,000	348 People - \$2,500 (Senior Companions)				
Senior Centers	\$400,000					
Youth Programs	\$475,000					
Youth Centers	\$200,000					
Child Care Centers (Low Priority)	\$50,000					
Abused and Neglected Children Facilities (Medium Priority)	\$100,000					
Youth Services	\$125,000	1,451 Youths - \$12,550 (YFS, Big Brothers Big Sisters, Rural America Initiatives)	275 Youths - \$3,750 (Rural America Initiatives)			

REPORTS

- I. CDBG Financial Summary of Program Year 2004
- II. Expenditure of Funds
- III. Carry Over Funds Projects Committed and Underway
- IV. CDBG Activity Summary Report for Program Year 2004
- V. Summary of Consolidated Plan Projects for Report Year 2004