



Fifth Program Year Action Plan

The CPMP Fifth Annual Action Plan includes the [SF 424](#) and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

Narrative Responses

GENERAL

INTRODUCTION

Introduction to the Consolidated Plan and Annual Action Plan

Rapid City South Dakota has been an entitlement community under the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant Program since 1975. As a HUD entitlement community, Rapid City was required to prepare a five-year Consolidated Plan (CP) in order to implement Federal programs that fund housing, community development and economic development within the community for the period of April 1, 2003 to March 31, 2008. Each year, the City prepares an Annual Action Plan, which outlines the activities, and services that will be supported in an effort to meet the goals and priorities set out in the Consolidated Plan.

Under the Consolidated Plan regulations, HUD combined the applications and reporting requirements for four formula-based Federal grant programs:

- 1) Community Development Block Grants (CDBG),
- 2) HOME Investment Partnerships (HOME),
- 3) Emergency Shelter Grants (ESG), and
- 4) Housing Opportunities for Persons with AIDS (HOPWA).

By combining the process for the grant programs, HUD intended that communities develop a comprehensive vision that encompasses affordable housing, adequate infrastructure, fair housing, enhancement of civic design, vigorous economic development combined with human development, and a continuum of care for helping the homeless.

The goals of the Federal programs covered by the Consolidated Plan are to "strengthen partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, to enable them to provide decent housing, establish and maintain a suitable living environment and expand economic opportunities for every American, particularly for very low-income and low-income

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persons.” The Consolidated Plan has required Rapid City to state in a single document its plan to pursue goals for all the housing, community development, economic development, and planning programs. It is these goals against which HUD will evaluate the Annual Action Plan and Rapid City’s performance under the Consolidated Plan.

Consistency with the Consolidated Plan is also a prerequisite to receiving funds under the following Federal programs:

- HOPE I - Public Housing Home ownership;
- HOPE II - Home ownership of Multi-Family Housing Units;
- HOPE III - Home ownership of Single Family Homes;
- HOPE IV - Public Housing
- Low Income Housing Preservation;
- Section 202 - Supportive Housing for the Elderly;
- Section 811 - Supportive Housing for Persons with Disabilities;
- Homeless Assistance Programs - SuperNOFA
- Supportive Housing Program (SHP);
- Single Room Occupancy (SRO) Housing;
- Shelter Plus Care (SPC);
- Revitalization of Severely Distressed Public Housing;
- Youthbuild - Hope for Youth;
- John Heinz Neighborhood Development;
- Lead-Based Paint Hazard Reduction;
- Regulatory Barrier Removal Strategies and Implementation; and
- Competitive Homeless People with Aids (HOPWA) grants.

Other Federal programs do not require consistency with an approved Consolidated Plan. HUD funding, however, for the Section 8 Certificate Voucher Program is to be made in a way that enables Rapid City to carry out its Consolidated Plan action plan.

Rapid City has developed a single, consolidated planning and application document in consultation with public and private agencies. This Rapid City Consolidated Plan encompasses the application for the Community Development Block Grant (CDBG) Program. Rapid City is not an entitlement community under the HOME Investment Partnerships (HOME) Program, the Emergency Shelter Grant (ESG) Program and the Housing Opportunities for Persons with AIDS (HOPWA) Program, and does not receive funds directly. Builders, developers and non-profit agencies apply directly to the State for those funds.

The Consolidated Plan serves the following functions for Rapid City:

- A ***planning document*** that enables Rapid City to view its HUD funding, not in isolation, but as one tool in a comprehensive strategy to address housing, community development, and economic development needs;

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- An **application** for Federal funds under HUD's formula grant programs, in particular the CDBG program;
- A **strategy** to be followed in carrying out HUD programs; and
- An **action plan** that provides a basis for assessing performance.

Each year the City of Rapid City creates an Action Plan to address the housing, community development and economic development needs of the City, as outlined in the Consolidated Plan.

EXECUTIVE SUMMARY

The City of Rapid City receives Community Development Block Grant (CDBG) Entitlement Funds from the U. S. Department of Housing and Urban Development (HUD). The City is not a recipient of HOME, Emergency Shelter Grant (ESG), or Homeless People with Aids (HOPWA) Grant funds. However, the State of South Dakota is a recipient, and developers, non-profits and faith-based organizations in Rapid City may apply for HOME, ESG and HOPWA funds through the State program offerings.

HUD has not, at the time of this Plan submission, determined the funding allocations for Entitlement Cities for FY 2007, and therefore Rapid City is using an *estimated* allocation budget to develop the FY 2007 Annual Action Plan. The estimation of funds assumes a slight decrease in CDBG funding from the FY 2006 allocation and estimates program income to be received from property leases and rehabilitation loan repayments. Actual funding allocations outlined in the Annual Action Plan may be amended, up or down and new projects added, if funding allows, upon notification from HUD of the City's FY 2007 Entitlement Grant amount.

- **Program Year**

- The FY 2007 program year will run from April 1, 2007 to March 31, 2008.

- **Resources**

- ***Federal Resources***

- Community Development Block Grant Funds (CDBG) - \$507,000 (*estimated*)
 - Program Income from CDBG funded activities - \$8,000 (*estimated*)
- Federal Home Loan Bank Community Investment Program
- HUD 202 Supportive Housing for the Elderly
- HUD 811 Supportive Housing for Persons with Disabilities
- HUD Section 108 Economic Development Funds
- U.S. Department of Justice, Office on Violence Against Women (OVW) Grants

- ***Other Resources***

Additional funding resources that may be available to the City of Rapid City, developers, and non-profit or faith-based organizations in FY 2007 include:

- State Funds
 - South Dakota Housing Development Authority funds
 - South Dakota Homeless Consortium grants (if available)
- Local Funds
 - Rapid City Vision 2012 Funds
 - Rapid City Subsidy Funds
- Fannie Mae Community Revolving Line of Credit

- ***Leveraged Funds***

Community Development Block Grant fund recipients leverage additional funds from:

- Private donations from many community, local, state and national foundations,
- VOCA,
- FEMA,
- Federal Emergency Shelter Grants,
- Victims of Crime Act Grant,
- United Way,
- Rural Outreach Grant, and
- Title XIX

TABLE 1
FUNDING SOURCES FOR FY 2007
COMMUNITY DEVELOPMENT PROGRAMS

Entitlement Grant (Includes reallocated funds)		
CDBG	\$ 507,000	
ESG	\$ -	
HOME	\$ -	
HOPWA	\$ -	
		Total <u>\$ 507,000</u>
Prior Years' Program Income NOT previously programmed or reported		
CDBG	\$ -	
ESG	\$ -	
HOME	\$ -	
HOPWA	\$ -	
		Total <u>\$ -</u>
Reprogrammed Prior Years' Funds		
CDBG - Revolving Loan Program Income	\$ 35,000	
<i>Reallocated for Contingency Funds to be used for Economic Development Loan Fund or owner occupied rehabilitation</i>		
ESG	\$ -	
HOME	\$ -	
HOPWA	\$ -	
		Total <u>\$ 35,000</u>
Total Estimated Program Income		
Program Income - Leases	\$ 4,900	
Program Income - Revolving Loans	\$ 3,100	
		Total <u>\$ 8,000</u>
Section 108 Loan Guarantee	\$ -	
		Total <u>\$ -</u>
Other Funds - Revolving Loan Funds	\$ -	
		Total <u>\$ -</u>
TOTAL FY 2007 FUNDING SOURCES		<u>\$ 550,000</u>
TOTAL PROPOSED PROJECTS SUBMITTED	\$ 447,000	
TOTAL PROPOSED PROJECTS NOT SUBMITTED	\$ 103,000	
<i>Program Oversight and Administration</i>		
TOTAL PROJECTS SUBMITTED		<u>\$ 550,000</u>

- **Expenditure Caps**

The City's 2007 Community Development budget allocation is consistent with the programmatic expenditure caps outlined in HUD regulations. Compliance with expenditure cap limits for the CDBG program is measured on the basis of funds actually spent during a particular program year.

- Program Administration – Program administration funding is limited to a maximum of 20 percent of the FY 2007 Entitlement Grant plus program income earned during the program year.
 - Entitlement Grant - \$507,000 (estimated amount)
 - Program Income - \$ 8,000 (estimated amount)
 - 20% of \$515,000 = **\$103,000 (estimated maximum amount)**
- Public Services – The maximum amount of CDBG funds allowed to be allocated to Public Services is 15 percent of the FY 2007 Entitlement Grant plus program income earned during the preceding completed program year (FY 2005).
 - Entitlement Grant - \$507,000 (estimated amount)
 - Program Income - \$ 9,710 (FY 2005)
 - 15% of \$516,710 = **\$ 77,506 (Estimated maximum amount)**
 - \$77,250 has been allocated to Public Service Projects in the FY 2007 Action Plan.

- **Specific Objectives**

- All of the programs funded meet a high priority need as identified by the City of Rapid City in the Five Year Consolidated Plan filed with HUD in May, 2003.
- Rapid City will focus efforts on the following high priority goals in FY 2007:
 - Affordable Housing
 - Homelessness
 - Transitional Housing
 - Public Facilities & Improvements
 - Removal of Accessibility Barriers
 - Legal Services for Low Income People
 - Micro-enterprise Business Loans
 - Youth Services
 - General Public Services
 - Victims of Domestic Violence
 - Counseling and Intervention
 - Case Management
 - Life Skills Training
 - Neighborhood Parks and Recreation
 - Facilities of Higher Education

- **Activities to be Undertaken**

- Table 2 – “*Proposed FY 2007 Community Development Block Grant Allocations,*” following this section, is a summary of the projects chosen for funding and the amount allocated to each project.

Table 2		
PROPOSED FY 2007 COMMUNITY DEVELOPMENT BLOCK GRANT ALLOCATIONS		
FUNDS AVAILABLE	\$ 550,000	
	NATIONAL OBJECTIVE	CDBG ALLOCATION
PROGRAM ADMINISTRATION		
City of Rapid City - (Maximum 20% of Entitlement + Program Income)	LMI People	\$ 103,000
TOTAL PROGRAM ADMINISTRATION:		\$ 103,000
Maximum Public Services = 20% of Entitlement + Program Income		
PUBLIC SERVICES		\$ 77,250
Behavior Management Systems - Staff salary for medication assistance for 412 people	LMI People	\$ 30,000
Dakota Plains Legal Services - Assist 485 people with legal services	LMI People	\$ 7,250
Salvation Army - Provide rent, deposits, & utility funds to 494 people+/-	LMI People	\$ 25,000
Working Against Violence - Staff costs, operation expenses; relocation assistance, life skills training; community education serving 1852 people	LMI People	\$ 5,000
Youth and Family Services - Counseling, intervention, & crisis hotline to serve 2,000 clients	LMI People	\$ 10,000
TOTAL PUBLIC SERVICES:		\$ 77,250
ECONOMIC DEVELOPMENT		
Contingency Funds - for a Micro-Enterprise Loan Fund - small business loan to help 10-20 people increase income through development of home business or for Housing Rehabilitation projects (Sub-recipient not yet determined)	LMI People	\$ 35,000
TOTAL ECONOMIC DEVELOPMENT:		\$ 35,000
HOUSING		
Western Resources for dis-Abled Independence. - Removal of architectural barriers to create handicapped accessibility to existing rental properties	LMI Households	\$ 28,750
TOTAL HOUSING:		\$ 28,750
PUBLIC FACILITIES/IMPROVEMENTS		
Behavior Management Systems - 121 North Street - Upgrade two bathrooms to ADA requirements	LMI People	\$ 12,300
Canyon Lake Senior Citizens Center - Installation of fire alarms & sprinklers in Facility Building	LMI People	\$ 70,000
Corner Stone Rescue Mission - Infrastructure/acquisition land for 24 unit transitional housing	LMI Households	\$ 50,000
Knollwood Heights Elementary PTA - remove existing substandard playground and install new, safe playground for the children of North Rapid	LMI People	\$ 50,000
Lutheran Social Services (Stepping Stones) - Purchase an existing 8-12 unit apartment building for transitional housing for homeless youth ages 16-20	LMI People	\$ 59,200
Oglala Community College - Construct four classrooms, three offices and expand the student lounge and parking	LMI People	\$ 30,000
Wellspring, Inc. - Improvements to facility including a fire sprinkler system and elevator	LMI People	\$ 30,000
Youth and Family Services - Monroe Street - replace a boiler pump and locks	LMI People	\$ 4,500
TOTAL PUBLIC FACILITIES/IMPROVEMENTS:		\$ 306,000
TOTAL ECONOMIC DEVELOPMENT, HOUSING, AND PUBLIC FACILITIES & IMPROVEMENTS:		\$ 369,750

General Questions

1. *Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.*

Rapid City is located in Pennington County in western South Dakota. Community Development Block Grant projects must be located within the Corporate Limits of Rapid City. Included in **Appendix I** are maps showing the following: Corporate Limits of Rapid City, Low/Moderate Income Census Blocks, a location map for activities that are to be undertaken with FY 2007 CDBG program funds, Projects Underway That Received Letters of Support for other funding sources, and a map showing the Knollwood Heights Playground Neighborhood. Sub-grantee locations and projects with specific addresses or census tracts are shown. Some of the specific services are provided to residents Citywide, and are not shown on the map. Records of the addresses are maintained on file by those Sub-grantees.

The following Sub-grantees will provide City-wide activities for which locations are scattered sites or properties not yet identified:

- Behavior Management Systems – Prescription medicine assistance for homeless and low-income people with mental and physical illnesses. *(Community wide)*
- Dakota Plains Legal Services – Legal services for low income persons to also include elderly, victims of domestic abuse, and homeless persons. *(Community wide)*
- Lutheran Social Services – Stepping Stones Program – Acquisition of apartment building for transitional housing for homeless youth ages 16-20. *(Property has not yet been identified).*
- Salvation Army – Past due rent and mortgage payment assistance, past due utility bill assistance and rental deposits for low income people to acquire permanent housing. *(Community wide)*
- Youth & Family Services – Counseling and intervention for low-income youth and families. *(Community wide)*

2. *Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a)(1)) during the next year and the rationale for assigning the priorities.*

The City of Rapid City covers 51 square miles with an estimated 2005 population of 65,891. Rapid City has allocated its limited resources to programs that are located within the corporate limits of the City of Rapid City and are considered to address a high priority need as identified in the Five Year Consolidated Plan. The City encourages development and diversity of projects that benefit low-income people in all areas of town, in an effort to provide better access to affordable housing, jobs and services.

Low-income census tracts are found primarily in North Rapid, the center City area, and some limited areas of old Robbinsdale and Rapid Valley. North Rapid contains most of the low-income census tracts and oldest housing, and is therefore a priority area for revitalization and services that benefit low-income residents. Three other areas of town also have aging housing stock, over 40 years old that is in need of revitalization – the center City area, old Robbinsdale and the old Canyon Lake area.

As noted, a number of activities listed above impact low-income residents living throughout the entire community. Other activities, which affect individual neighborhoods or areas, have been evaluated to ensure that they meet the statutory objective of benefiting low- and moderate-income persons, and are appropriate in light of the varied needs that have been identified.

3. Describe actions that will take place during the next year to address obstacles to meeting underserved needs.

The Black Hills Area Homeless Coalition conducted a survey of homeless and low-income people in Rapid City, in September, 2005 to determine their high priority unmet needs. Two thousand surveys were distributed with a 34.7% return rate (752).

The respondents identified the following unmet needs (*listed in order of priority*):

- Affordable Housing – transitional, rental, ownership, deposits, and utilities
- Transportation – gasoline, repairs, bus fares
- Employment – jobs, livable wage, job training, clothing
- Medical – health, dental, mental
- Food – groceries, Food Stamps
- Handling Finances – Budgeting, credit issues, not enough money

Obstacles the City faces in addressing these unmet needs include diminishing Federal funds and grants, a shortage of non-degree livable wage jobs, escalating land, development, and construction costs, and non-profit agencies that lack the money, expertise or staff to add or increase programs to address these types of issues. In addition, alcoholism, drug addictions, and mental health issues that impair their ability to be successful employees, tenants or money managers affect some clients.

The City is working with the Black Hills Area Homeless Coalition, local non-profit housing agencies, and the Mayor's Housing Task Force to pursue additional federal grants and private funding sources for housing, social services, and economic development projects. The City will continue to provide funding to the Rapid City Economic Development Partnership, the Rapid City Economic Development Loan Fund and the Western Research Alliance to aid start-up and expansion for businesses, as well as working to bring more new businesses to the community, to increase the number of jobs available.

Rapid City's Community Development Specialist provides technical assistance to non-profit agencies seeking to develop new housing projects and facilitates partnerships on mutually beneficial projects. Staff is working with non-profit housing agencies to explore the use of a Community Land Trust for maintaining long-term affordability on homes and funding sources for land acquisition.

Non-profit service providers are working together to offer a "One-Stop Service Center" on two "Homeless Connect" days a year for the homeless and low-income people of the area. The people will be able to meet with all the service agencies in one spot, and receive help as needed.

4. *Identify the federal, state, and local resources expected to be made available to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.*

Federal Funds applied for or being received by agencies for housing projects not allocated CDBG funds for FY 2007:

TABLE 3 NON-CDBG PROJECTS APPLYING FOR OR RECEIVING FY 2007 FEDERAL DOLLARS FOR HOUSING/HOMELESS SERVICES								
AGENCY	Capital Funds for Public Housing	Operating Funds for Public Housing	Section 8 Tenant Based Assistance	Shelter Plus Care Grant Funds	HOME/CHDO Funds	McKinney Vento	Low Income Housing Tax Credits	Federal Home Loan Bank
Pennington County Housing and Redevelopment Corporation	\$682,798	\$968,557	\$6,569,675	\$147,852				
Eagle Ridge Apartments Phase 2							\$3,971,920	
West River Foundation					\$1,320,000			\$30,000
Total Funds	\$682,798	\$968,557	\$6,569,675	\$147,852	\$1,320,000	\$0	\$3,971,920	\$30,000

TABLE 4	
FUNDS LEVERAGED BY CDBG FUNDED PROJECTS FOR FY 2007	
Agency	Estimated Funds
Behavior Management Systems	
CDBG - Medications Program	\$ 30,000
CDBG - Rehab Project	\$ 12,300
Title XIX	\$ 2,653,900
CMHS Block Grant	\$ 1,775,080
Other Grants	\$ 316,059
Gambling Service Fee	\$ 16,460
Canyon Lake Senior Citizens Center	
CDBG - Rehab Project	\$ 70,000
Private donations	\$ 5,000
Local Funds	\$ 10,000
United Way	\$ 12,000
Grants - Government agencies	\$ 17,200
Fees & Interest Income	\$ 5,000
Cornerstone Rescue Mission	
CDBG - Acquisition FY 2006	\$ 100,000
CDBG - Acquisition FY 2007	\$ 50,000
FHLB Grant	\$ 120,000
Supportive Housing Grant	\$ 400,000
Local Funds - 2012 Funds	\$ 250,000
Citibank Low Income Housing Tax Credits	\$ 1,281,825
HOME Mortgage	\$ 578,421
Local Donations	\$ 40,000
Dakota Plains Legal Services	
CDBG	\$ 7,250
Legal Services Corporation(Migrant, TIG, Native American/SD Elderly Grant)	\$ 1,328,099
Non LSC Grants/Contracts	\$ 603,674
Knollwood Elementary School - Playground	
CDBG	\$ 50,000
Local Funds	\$ 50,000
Private Donations	\$ 16,000

Lutheran Social Services - Stepping Stones	
CDBG	\$ 59,200
United Way (2005)	\$ 571,074
Grants - Government agencies(2005)	
- Dept. of Health & Human Services	\$ 1,891,581
- Dept. of State Bureau of Population Refugees & Migration Funds	\$ 268,737
- Dept. of Agriculture Funds	\$ 122,112
- Dept. of Justice Funds	\$ 134,949
- Dept. of Education	\$ 134,949
- Dept HUD	\$ 17,120
LIRS Grants(2005)	\$ 198,447
Other Grants(2005)	\$ 189,348
Private Donations	\$ 32,000
Oglala Lakota College	
CDBG	\$ 30,000
Federal Government Agencies	
- US Dept. of Interior	\$ 6,153,905
- US Dept. of Education	\$ 5,569,200
- US Dept. of Health & Human Services	\$ 1,187,670
- National Science Foundation	\$ 1,386,582
- US Dept. of Agriculture	\$ 580,335
- National Aeronautics and Space Administration	\$ 143,236
- Institute of Museum & Library Services	\$ 4,000
- US Dept. of Defense	\$ 63,762
- US Dept. of Justice	\$ 34,736
- US Dept. of HUD	\$ 70,686
Local Funds	\$ 82,500
In-Kind	\$ 20,000
Salvation Army	
CDBG	\$ 25,000
Emergency Food & Shelter Program(FEMA)	\$ 4,072
Private Donations	\$ 16,985
Fees and Interest Income	\$ 12,000
United Way	\$ 32,800
City of Rapid City Subsidy	\$ 4,292
In-Kind	\$ 40,000
Mortgage	\$ 434,875

Wellspring, Inc.	
CDBG	\$ 30,000
Private donations	\$ 800,000
SD Department of Social Services(Coalition for Children Grant/ Turning Point)	\$ 1,126,143
Western Resources for dis-Abled Independence	
CDBG	\$ 28,750
Other Federal Funds	\$ 10,000
South Dakota Human Services - Division of Rehabilitation	\$ 53,738
Private Donations	\$ 13,500
Working Against Violence (WAVI)	
CDBG	\$ 5,000
Federal Grant- Rural Outreach	\$ 3,790
State Grants	
- Child Protection Services	\$ 8,199
- VOCA - Victims of Crime Act	\$ 75,560
- FVPA - Family Violence Prevention Act	\$ 85,793
- ESG - Emergency Shelter Grant	\$ 14,035
- VEI - Victims Enforcement Implementation Task Force	\$ 8,572
- DASA - Domestic Abuse Sexual Assault	\$ 13,225
- VAWA - Stop Violence Against Women Act	\$ 18,729
Pennington County Grants	\$ 64,879
City of Rapid City Subsidy	\$ 4,000
Other Gov't Grants	\$ 2,631
Working Against Violence (WAVI) - Continued	
Fee & Interest Income	\$ 17,980
In-Kind	\$ 64,000
Private donations	\$ 452,000
Youth and Family Services	
CDBG - Counseling	\$ 10,000
CDBG - Monroe St. Rehab	\$ 4,500
Other Federal Funds	\$ 795,942
State Funds	\$ 41,459
Local Funds	\$ 56,500
Private Donations	\$ 14,000
Fees & Interest Income	\$ 145,961

Managing the Process

1. *Identify the lead agency, entity, and agencies responsible for administering programs covered by the consolidated plan.*

The City of Rapid City is an entitlement city for U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds. The City is responsible for administering the CDBG program and activities covered by the consolidated plan. City Council oversees the CDBG program, which is administered by the City Attorney's Department. The Community Development Division handles the daily operations and oversight of the grant program and sub-grantees.

The City allocates funds to, and contracts with, non-profit and faith-based agencies serving the community to deliver, conduct, or develop public services, housing projects, public facilities and improvements, infrastructure, and/or economic development activities that meet the high priority needs of the community, as identified in the five year consolidated plan, that will benefit low income residents. Sub-grantees are monitored and required to file monthly reports with the Community Development Division on their progress and outcomes, which are then entered into the HUD Integrated Disbursement and Information System (IDIS).

2. *Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who participated in the process.*

Rapid City is in the fifth year of the Five-Year Consolidated Plan. The Consolidated Plan was developed with input from agencies specializing in housing, health and human services, mental health, family and individual counseling, budget and financial counseling, handicap services, life skills training, education and job training programs, homeless shelters and services, domestic violence services, food subsidies, and other low income household services. Input was also received from the local housing authority, real estate and development community, the school system, United Way, and the general public. City staff members serve on many committees and boards of community agencies and are able to provide additional insight on gaps in services and needs of the community for the plan development process. One-on-one, small group and public meetings were held to gather suggestions from all the stakeholders and interested parties. Their comments together with information from the U.S. 2000 Census and HUD were used to develop the Consolidated Plan.

The development of each year's Action Plan starts with a review of the previous year's accomplishments addressing high priority activities. Rapid City is committed to meeting the goals of the consolidated plan, and applications for CDBG funding are reviewed with the high priority goals in mind. The Community Development Specialist speaks to various community groups, neighborhood organizations, and non-profit agencies about the Community Development Program throughout the year soliciting applications and comments about the needs of the

community and desired activities. The City also seeks citizen input through public meetings and public comment periods, in accordance with our Citizen Participation Plan. In an effort to ensure that applications received are fundable and will meet the review guidelines, a CDBG grant writing training class is held in August of each year for anyone interested in learning about the Community Development Block Grant funds, how they can be utilized, what types of eligible activities can be funded, what the high priority activities are, what the reporting requirements and documentation are, and what the application process and timeline is. Public Notice ads are placed in the Rapid City Journal and Lakota Journal for both the training class and solicitation of applications. Applications were accepted through October 15, 2006.

The City's Subsidy Committee met on October 30, 2006 to evaluate the applications for CDBG compliance, Consolidated Plan high priority need, feasibility of completion within the program year, cost per person served ratio, uniqueness of service and community/national benefit. The Subsidy Committee submitted a recommendation of funding allocations to the City Council in November, 2006, which was reviewed and given preliminary approval.

The proposed Annual Action Plan was submitted to the public for a thirty-day comment period that ended December 26, 2006. A public meeting was also held on December 20, 2006 to collect additional input regarding the Annual Action Plan and other community development concerns. Comments received during the comment period and public meeting are included as at attachment in this report. Official notification of the FY 2007 Entitlement award was not received prior to submission of this report to Council for final approval on February 5, so estimates were used. All agencies chosen for allocations have been notified that adjustments and an amendment to the Plan may have to be made upon notification of funding. The FY 2007 Annual Action Plan must be submitted to the HUD Regional Office for review no later than February 15, 2007. Once accepted by HUD (usually within 45 days of receipt), the City will be notified that they may proceed with the projects as outlined. Contracts will be executed between the City of Rapid City and each approved Sub-grantee, after which they may begin drawing funds for their projects (usually around June 15).

3. Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.

Community Development staff will continue to participate as an advisor to the Black Hills Homeless Coalition, the Rapid City Community Development Corporation, and the Community Services Connection Boards, and meet regularly with housing, health and social service agencies in the community to learn more about their operations, clients and needs. Staff will also encourage and facilitate partnerships among the agencies to maximize the resources available without duplication of services.

The City participated in a collaborative effort with the United Way and fourteen (14) other local and regional agencies to commission the Institute for

Educational Leadership & Evaluation to conduct a Community Needs Assessment in September, 2006, that will provide valuable information for funding purposes and developing action plans to address the issues identified in the assessment. The Assessment Evaluation Report will be completed in January, 2007. The Community Development Division will facilitate meetings with non-profit and faith-based organizations, the public, and other stakeholders in the community in 2007 to discuss the issues, obstacles, and solutions. The information gathered will also be used for the new Five Year Consolidated Plan, due in 2008.

Local Agencies participated in *Homeless Connect Week* in December, 2006, with the City's encouragement, by holding a "Homeless Connect Day", during which homeless people were able to access information and services from many agencies at one time, in one spot. It was successful not only for the homeless, but for the agencies as well. It gave agencies an opportunity to network and learn about each other, and the services that they each provide. As a result, the Agencies have decided to hold *two* Homeless Connect Days this year, including more service providers and benefits for the people, and will expand it to include low-income people as well as the homeless.

Staff is also meeting with City Council members to apprise them of priority issues, possible solutions and enlist their aid in identifying possible funding solutions.

The Mayor's Housing Task Force will be finalizing work on a ten-year plan to end homelessness and will present it to the Mayor and City Council upon completion.

Citizen Participation

1. Provide a summary of the citizen participation process.

The City recognizes the need to consult and coordinate with appropriate public, non-profit, and private agencies, such as the state and local jurisdictions, local public housing agencies, Capital Fund Programs, and among its own departments to assure that the programs and plans are comprehensive and address all statutory requirements. It also confers with social service agencies regarding the housing needs of children, elderly persons, persons with disabilities, homeless persons, and other categories of residents, as well as state and local health and child welfare agencies. The City also believes that it is important that citizens know what is being planned and are given the opportunity to present their views. Notices of actions, solicitations for applications, proposed funding allocations, public meetings for citizen input and public comment periods are published in two newspapers of general circulation, the Rapid City Journal and the Lakota Journal. In addition, email notices are sent to all persons and agencies that provide their contact information. Notices, proposed projects and reports are also posted at the Public Library, the Public Housing Authority office, and on the City web site.

2. *Provide a summary of citizen comments or views on the plan.*

The Subsidy Committee submitted a recommendation to the Legal & Finance Committee of Rapid City for projects to be considered for CDBG funding on November 15, 2006, which was reviewed and given preliminary approval. City Council gave preliminary approval of the recommendations on November 20, 2006. The proposed Annual Action Plan was then submitted to the Public for a thirty-day comment period that ended December 26, 2006. A public meeting was held on December 20, 2006, to collect additional input regarding the Annual Action Plan and other community development concerns. The public was afforded additional opportunities to speak regarding the Community Development Block Grant proposed funding at the Legal and Finance Committee meetings on November 15, 2006 and January 31, 2006, and the City Council Meetings on November 20, 2006 and February 5, 2006 prior to Council votes on the proposals.

Minutes, including comments received, from the public meeting, the Legal and Finance Committee meetings and the City Council Meetings are attached along with letters received during the 30-day comment period.

Summary of comments received:

- *Public Meeting December 20, 2006 –*

Persons attending the public meeting were informed that estimates were used in determining allocations and that the City has not received notification from HUD regarding the FY 2007 allocation, and those allocations could change upon that notification.

Following are the minutes from the public meeting and the comments received:

PUBLIC MEETING COMMENTS

Community Development FY 2007 Annual Action Plan
December 20, 2006

Public meeting was called to order by Barbara Garcia, Community Development Specialist for the City of Rapid City.

Garcia gave people in attendance an overview of what the Annual Action Plan is, how the process for allocations worked, what types of things are reviewed in the allocation process and how comments may be submitted.

Persons attending the public meeting were informed that estimates were used in determining allocations and that the City has not received notification from HUD regarding the FY 2007 allocation, and those allocations could change upon that notification.

A sign in sheet was used to record attendees and speaking order. (Attached)

Bonnie Fingerhut, representing the Canyon Lake Senior Center (CLSC) requested to speak. She stated that CLSC had requested funds to bring the center up fire and safety codes as required by the Fire Department and the City due to the renovations to the building. The Center had 70,000 clients last year and they would like to extend the hours to the evening so people can come in after work. However there are concerns for the safety of people using the facility since it does not have an adequate fire sprinkler and alarm system. Their budget is not great, but mostly volunteers do the physical work for their renovations, to help keep the costs low. They have documented 25-30,000 volunteer hours expended. The building is not just used for members; the old as well as young people in the Rapid City and Black Hills area come to use the facility. The Seniors' Center is non-profit. The amount needed to do the renovation is approximately \$95,000. They have raised some of the cost themselves. They can't consider further expansion of the building until it is brought up to code, and for safety reasons, they can't lengthen the hours until it meets fire safety codes.

Bruce Crosswait, President of the Canyon Lake Senior Center (CLSC) Board

Crosswait said he would like to underscore what Fingerhut has said. Fingerhut is a volunteer and grant writer for CLSC. When the building was built it met code, but over the years the codes have changed and it is now out of compliance. CLSC received a firm proposal for \$95,000. They probably could get \$70,000 with volunteer fund raisers. They could do more with the facility with the renovations. The current heating system has no temperature control and there is no central air conditioning. They do have window air conditioners in some areas. The Center thrives on volunteers. He was on a trip and stopped in at a Senior's Center that had 1,500 members, like ours, but they have 30 employees. Ours only has one employee. Volunteers are the key to the CLSC operation and are what allows

them to operate on a much lower budget. There are other areas in need of overhaul (besides the sprinklers and fire alarms), like the heating and air conditioning systems, that need to be addressed before they expand. Crosswait thanked the audience and said that was all he wanted to comment on.

Question asked – “What is the relationship with CLSC and the Menaluzahan Senior Center?” Crosswait responded that they publish a news letter together, but in all other areas they are separate and self-sufficient.

Question asked – “Did the City fund CLSC in this plan?” Garcia responded that CLSC requested \$75,000 and was allocated \$70,000.”

Sharon Oney, Youth and Family Services, Grants Administrator

Oney said that she was present to listen to what others have to say and appreciated the other’s interest. She stated that YFS had submitted three proposals for CDBG funding and that 2 were recommended for funding. She stated that there is still an interest and need for additional parking on Monroe Street, in front of the Head Start facility (the proposal that did not receive funding). She believes that the Subsidy Committee does the best it can with the money they have to work with.

Question asked - She asked whether there would be additional funding to be distributed. Garcia responded that at this point there is no way to tell. We are just estimating the FY 2007 CDBG allocation until Congress approves the budget and HUD notifies us of our Entitlement amount. In addition to the budget, Congress and HUD are considering a change to the formula used to determine each City’s Entitlement. There were four formulas submitted. Under one formula, the City would be expected to receive much less, under the second we would receive about the same amount as in 2006, and under the remaining two, we could receive substantially more. If we are notified that our allocation will be greater than estimated, the Subsidy Committee will reconvene to allocate the remaining amount, and an amendment to the plan will be made. There would be another public comment period for the amendment.

Ann Van Loan, Western Resources for dis-Abled Independence (WRDI), Director

Van Loan stated that WRDI covers 17 counties in SD and provides services and advocacy for persons with significant disabilities. They see over and over that home modifications and adaptive devices are a great need in the community. There are some extremely low-income people who need modifications such as ramps and widening of doorways so that they can live more independently. WRDI gets state funds for modifications for homeowners, but no money for renters. Tenants are captives in their homes. WRDI is trying to work with landlords to get modifications done, but it is not easy to get their approval. WRDI would like to do modifications on rentals. They would have the landlord sign a five year promissory note with

a repayment clause, and then those funds could be recycled if the building is sold. The ramps they build are “stand-alone” ramps that can be removed if the tenant moves to another apartment.

Van Loan gave an example – there is a gentleman who has a disability, and his 30+ year old son also has a disability, which requires him to use a wheel chair. The father has to carry his son down the stairs of the home to the wheel chair on sidewalk because there is no ramp.

There is a very great need for modifications on rentals. If word gets out that there is money for modifications, they could need 10 times the amount that they have been awarded. They asked for \$28,000 with a plan to use \$5,000 per apartment, however if there is bathroom remodeling needed, sometimes they have to do extensive plumbing to bring it up to code.

Sometimes the people go out to get a handicap accessible home and have to go on a waiting list that can be one year long.

Van Loan stated that on the Reservation there is an Independent Living Center and Native American Advocate center to help with living skills and adaptive support for those who meet the low income guidelines. There are 4 Independent Living Centers in the state, one each in Sioux Falls and Aberdeen and 2 on reservations.

WRDI also supplies free Emergency Dialers to the low income and encouraged anyone needing additional information to call her.

Question asked – What percentage of the people that WRDI helps are Native American? **Response** – 25-30%. Van Loan stated that she works closely with the Teton Coalition and that we all have to work together to get anything done. There are not enough accessible homes and the disabled don't have any place to go.

Erin Sinaga, E.A.S. Processing & Consulting Group, helping immigrants and businesses in the Black Hills and providing a safe house.

Sinaga stated that her organization advises about immigration and resources for the Northern Hills and the western states.

She also stated that they had received help from Rudi, a Native American medicine man, who does the sweats at Sioux San, to raise money to purchase blankets for June 15 – 21 to celebrate World Peace and Prayers. She stated that her door is always open to help others and that the more everyone knows about the services provided in the area the better. She stated that her office is located in Ste. A, next to Senator Johnson's office.

She helps minorities, disabled, immigrants, etc. She has a brother who is disabled, so she understands the issues they face. She has also been working to help the wife of a Navy Seal who was subjected to severe abuse

access money and assistance to leave her residence in another state and move to SD. In addition, she does volunteer work with Detox.

Sinaga also stated that her brother's 1 bedroom apartment costs \$550 per month, not including utilities. His income is only \$608 per month plus food stamps. He was denied Section 8 housing when his name came up on the waiting list, because he did not get his mail and missed contacting them in time. She stated his treatment by Pennington County Housing was terrible and condescending.

Sinaga stated that there is a need for an ordinance for control of rents or to have transitional housing in place and to help people get education. She was able to get a job and earn good money, but has to start over here with education credits. She doesn't want children to go through the same that. Sinaga's husband is from Indonesia. When he came to the US he was abused. People told them to run away, get married or leave the country. He got 2 jobs and worked 95-97 hours every two weeks to try to make a living and improve his situation. He is now working as an engineer for the Radisson and one other hotel and hoping to get a full time job, but the Radisson pays less than \$30,000 per year. They bought a home, but struggle with all the costs. The cost to live here is too high, and they are considering moving.

Sinaga also stated that there are not enough Native Americans employed in our hotels. There is only 1. She suggested that there needs to be seminars held with hotels to explain cultural differences. For example, at one hotel some Natives and foreigners were told not to go in front of the buffet, because whites wouldn't eat the food if they did.

She is looking for grant money to help all, as they are a non-profit who works with all creeds and all nations.

Carla Rabbit – Citizen, 15 year Resident who is a “rezified urban Native” stated that she knows Natives that had to sell their homes because of access problems, and had no place to go, so they get caught in predatory lending, fall on hard times and lose their homes. She also stated that a lot of Natives feel a change is coming and they want to see that change happen.

Two weeks after she graduated she left the Reservation and has tried to live her life in the traditional way with her honey and 3 kids. She has used assistance programs. Rabbit states that there are medical issues for Natives and affordable rentals are especially needed. Due to credit issues and lack of education people are not able to earn enough to cover living expenses. Most jobs won't cover the cost of homes. Service jobs only pay \$6 - \$7 per hour and that won't cover the costs of even an old car, the insurance, other costs and rent. Sometimes low income people have to rent from slum lords, occasionally they may have a good landlord who will work with them when they can't cover the rent. Both she and her honey have had medical issues. They got some assistance from welfare's TANF for rent - \$561, but their cost was \$570. They got an eviction notice and then County Welfare told them

that they did not have enough income to sustain paying the rent, so “what is the sense?”

Rabbit stated that she went to several motels to see how many units were occupied by Native Americans. She visited between 60-80 units and 61-71% of them were occupied by Native Americans. Many of them had 2 families in one unit, many were multi-generational. Many said that other people tell them to go back to the reservations and the reservations will help them.

Rabbit stated that the people at the Corner Stone Mission are rude and arrogant. Corner Stone sent a person to speak to one of the Natives who was told that “they need to drive the demons out”. Rabbit said that non-Natives don’t understand the Native culture. Many natives were also raised with alcohol issues. She has met other educated Native people and has the opportunity to learn about the cultures and more people should do the same. The Native culture is not taught in the schools, there are no cultural resource centers. Douglas school system has Natives come speak about the culture to the students.

Rabbit also stated that there needs to be more work with kids and gangs. Actually, Native kids idolize the Police Department and there needs to be more interaction with them.

Question asked by Rabbit – Can the City come up with a Committee to interact with tribal entities on Native relations? Others stated that there is the Mayor’s Task Force and a Cultural Diversity meeting at the Chamber of Commerce which provide additional forums for discussion.

Dee Allen, Lakota Homes

Allen stated that there is a need for additional subsidized housing and life skills training. Also, assistance is needed for low income people for the costs to obtain GED’s, so that they can acquire better paying jobs. It costs approximately \$300 to obtain a GED.

Linda Johnson, Behavior Management Systems, Full Circle Program Life Skills Instructor

Johnson stated that obtaining affordable housing for low income people is a problem. Pennington County Housing gives them no chance. Every time the person gets a raise or increases their income, they have to reprogram the assistance and the rent goes up immediately. They need to be able to earn some money and get ahead.

There needs to be transitional housing with drug and alcohol center counseling. The people with drug or alcohol problems need to have some subsidized housing so they can get their kids back. Federal housing needs to be involved and avoid the “boarding school system.” Young mothers need to be helped, maybe with rent controls.

Church Response needs to be checked out. The food that they dispense is old, moldy, and disgusting. The bread is hard and stale, and sometimes the baskets are open.

Question asked – Where can people go to file complaints about these types of issues? Someone said that Sanity has meetings and works with community relations issues.

Johnson stated that Rapid City is growing and so are the problems, but jobs are not. There is no monitoring system.

Question asked - Who do the people go to for help? HUD doesn't investigate housing problems. At the Social Security office people have no privacy and have to speak about their problems where others can hear since there are no offices.

Question asked – Where can people go locally to get help with civil rights issues? How can the people get civil rights training? Is there anyone here that provides it? They are referred to Pierre on civil rights complaints and nothing happens. There should be someone in Rapid City to investigate and help with civil rights complaints.

It was requested that the Mayor include some Native Americans on his Community Relations Committee. It was stated that the committee discusses issues behind closed doors and no Natives are on the committee to provide diversity and represent the Native community.

Garcia stated that the Mayor's Undoing Racism Task Force also meets to discuss issues.

Robin Page – Vista Volunteer and Community Member

Page provided a written statement, which she also read to the group.

See statement on next page.

COMMUNITY DEVELOPMENT BLOCK GRANT
COMMENTS
December 20, 2006

Robin A. Page
2505 Gnugnuska Drive
Rapid City, SD 57701
(605) 348-6185

My name is Robin Page. I moved to Rapid City approximately one and one half years ago with my seven adopted children. Several of my children are Oglala and Rosebud Sioux. We came here because I wanted my children to learn what being Lakota meant. I never guessed that this would have negative as well as positive connotations.

I have been shocked to see the huge number of Native families living in motel rooms because they cannot afford a simple apartment. I was horrified to learn that Central High School has an almost 80% drop out rate of Native students. As I walk around the mall and visit businesses in North Rapid, I rarely see a person of color working at any of these establishments. I know for certain that many Natives apply for positions at these businesses but are rarely hired. I have met many Native people with advanced educational degrees who work as secretaries or checkers at Walmart. I know many Native people who want very much to work, but need more job training and skill development.

According to the Federal government, the Community Development Block Grant is meant to “strengthen partnerships among all levels of government and the private sector, including for profit and non-profit organizations to enable them to provide decent housing, establish and maintain a suitable living environment and expand economic opportunities for every American, particularly for very low-income and low-income persons.” Rapid City has the opportunity to spend approximately \$500,000 towards improving the lives of many low- income individuals and families.

As I reviewed the subsidy committee recommendations for FY 2007 CDBG allocations I was surprised to see no money for Habitat for Humanity’s job training program in their proposed ReStore project. This is the second year in a row that the City has not funded Habitat...by National standards a great provider of low-income housing and job training opportunities.

I was also surprised to see that there were no allocations toward the Rapid City Community Development Division for Micro-Enterprise Loan funds. These funds are critical for start up of low-income and minority businesses. These are the businesses that train and hire people from the low-income community. These loans provide the opportunity for low-income and minority people to rise up from poverty through their own hard work.

The Teton Coalition wants to train low-income, minority clients how to build homes. This is a very cost effective way of providing affordable housing and giving people a chance to learn new job skills that they can use the rest of their lives. They are not scheduled to receive any funds from the CDBG.

The Rapid City Community Development Corporation assists low-income families with down payment assistance to purchase a home. Often times they work with programs like the Teton Coalition to help people get into a lower cost home. There are no funds allocated for this successful program.

The Federal Government has indicated that some activities are ineligible for CDBG funding. These include: Operating, repair or maintenance expense of playgrounds and senior or disability centers. The current CDBG includes two projects that do not meet this criteria. The Canyon Lake Senior Citizen Center is recommended for \$70,000 for a repair and maintenance project. The Knollwood Elementary School PTA is recommended for \$50,000 for new playground equipment.

I have a child a Knollwood Elementary, but I believe that the PTA needs to look at other avenues for the playground needed. The Senior Citizen Center is vital for our elders, but this project does not fall into the allowable expenditures for CDBG.

Thank you for listening to my concerns. I know that it is difficult to fund so many excellent proposals with so little money. However, I request that you fund programs that will help provide safe and affordable housing and help people rise above their poverty with new job skills and opportunities for employment.

Robin Page – continued -

Upon completion of Ms. Page’s statement Garcia provided clarification on the following comments in her statement:

Habitat for Humanity – Garcia stated that Habitat was not selected for funding this year because they still have unspent funds from 2005 and still have not developed the lots purchased with previous year’s funds.

Rapid City Micro-Enterprise Loan Fund Application – Garcia stated that the Subsidy Committee did set aside \$35,000 from the Neighborhood Restoration Program to be used for Micro Enterprise loans, or additional rehab. The Committee had not yet decided whether the Community Development Division should operate the program, and is exploring other options.

Teton Coalition – Garcia stated that the Teton Coalition was not selected for funding for this program as they do not yet have any funding sources identified for the purchase of building materials, land, or for the Project Supervisor.

The Rapid City Community Development Corporation – Garcia stated that this agency was not selected for funding because they still have unspent funds from 2005 and 2006.

Canyon Lake Senior Citizen Center – Garcia stated that the repair and maintenance of the Center does meet the HUD guidelines for CDBG funding and has been previously approved by HUD. Elderly meet the national objective and at least 51% of the people utilizing the facility meet the low income guidelines.

Knollwood Elementary School PTA playground project – Garcia stated that playground equipment for a park or neighborhood playground is an eligible activity for CDBG funding as long as it services low income census tracts. This playground is considered by the City, the Parks and Recreational Department, the School District and the neighborhood to be a neighborhood public playground. The area it services is made up of low income census tracts, and it is not likely that children from other areas of town would go there to play, so it meets HUD’s test and has been approved by HUD.

Additional Attendees:

**Ray Elk Nation, Citizen,
Azizah Allison, E.A.S.,
Regina Jahr, Black Hills Area Community Foundation,
Alan McCoy, Lutheran Social Services, and
Mr. & Mrs. Ecoffey, Citizens,**

All declined to speak, saying they just wanted to hear what everyone else had to say.

Meeting was adjourned at 6:45 p.m.

- *30-Day Public Comment Period - November 25, 2006 to December 26, 2006.*

The following letters were received during the 30-day comment period from:

- Bill Podhradsky, Development for the Disabled, Inc. and
- Sheila Troxel-Snyder, CASA

See letters on following pages.

Development for the Disabled, Inc.

221 S. Central Ave.
(605) 224-5336
Pierre, SD 57501

December 19, 2006

TO: Barbara Garcia
Planning Department
300 6 St.
Rapid City, SD

FROM: Bill Podhradsky
Development

RE: Behavior Management Systems
Hills Apartments Project—Land

The purpose of this correspondence is to provide written comments relative to the FY 2007 Annual Action Plan for funding allocations. In short, there is a need by Behavior Management Services for financial assistance from the City of Rapid City for the purchase of land for the development of a housing project which the Mayor's Housing Task Force has agreed should have high priority. This housing development (currently referred to as Hills Apartments) will be designed to provide supportive services and permanent housing in Rapid City, SD to homeless individuals with severe and persistent mental illnesses. This single story apartment will include twenty-four single-occupancy apartments, and a common use area where meals will be prepared for the residents.

As you are aware, DDI is under contract with Behavior Management Systems to develop this affordable housing. Behavior Management Systems will be responsible for the costs associated with the new construction of this permanent housing residential facility for homeless individuals who are disabled with severe and persistent mental illnesses. In addition, Behavior Management Systems will provide a significant portion of the necessary supportive services for this homeless project.

We are currently projecting the total annual expense for supportive services to be \$548,831. Our 2006 Continuum of Care SHP application for supportive services was for \$250,000 per year. Behavior Management Systems will provide \$298,831 per year matching funds. DDI has developed these programs for both Lewis and Clark Behavioral Health Care in Yankton, and Southeastern Behavioral Health Care in Sioux Falls. These are both successful programs which have contributed significantly to stopping the revolving door syndrome so often experienced by this target population: Hospitalization and medical stabilization to the community, to destabilization, to homelessness, to hospitalization, etc., etc., etc.....

In Rapid City, land—the cost of land—will be a significant factor in proceeding. Financial assistance from the City will be a critical need, since the facilities are very expensive to construct. The Commons area, complete with commercial kitchen, will cost approximately \$400,000. Building on a single story—essential for staffing efficiencies—will require at least two acres to comply with Rapid City Code for building-land ratio.

We would ask that you give serious consideration to giving priority for this project. Rapid City will definitely benefit from this development.



CASA Program



Seventh Circuit CASA Program
2650 Jackson Boulevard
Rapid City, South Dakota 57702
PHONE (605) 394-2203 • FAX (605) 394-3382
www.casaofrapidcity.org

CITY OF RAPID CITY
DEC 27 2006
COMMUNITY
DEVELOPMENT DEPT.

December 20, 2006

Barbara Garcia & Selection Committee Members
Community Development
300 6th Street
Rapid City, SD 57701

Dear Barbara and Committee Members,

Thank you for the help you have been to the Rapid City CASA Program over the last few years. Your interest in helping the abused and neglected children in our community has been greatly appreciated.

Recently, we were notified that we would not be included in the agencies recommended to receive new funding through Community Block Grant, as of this time. Although we are disappointed, it is our understanding that we will be considered again if additional funding becomes available.

However, I would like to take this opportunity to clarify one of the reasons you gave to Jill regarding why we were not chosen to receive funds. As reported to me, you and the committee looking at our grant application felt that our costs per child were too high as compared with other programs. This is simply not the case.

The Rapid City CASA Program has been able to serve a significant number of children needing advocacy services by the judicious use of the incoming funding received. Although geographically we can be considered a rural program, we are operating with budgets and numbers that are paced with urban program numbers and costs. For several years we have been able to stay well below the national average. In 2005, according to National CASA statistics, **the national median cost per child served was \$910.** In 2005, **the 7th Circuit Rapid City CASA Program cost per child served was \$505.09,** thereby cutting the median dollar amount almost in half. The 7th Circuit Rapid City CASA Program is the largest program in the state in both numbers of children served (approximately 800 children in 2006) and in the number of volunteers (approximately 100), and also leads the list for the most children on a waiting list to be appointed a CASA volunteer (nearly 400.)

Court Appointed Special Advocate for Children

As you can see, we are doing a great job with the amount of funds we've been able to raise, and are making every effort to reach our goal of a "voice in court" for every child who needs one.

Again, thank you for your support of CASA over the years. Without funding from the Community Block Program, we simply would not have been able to achieve the level of services we have provided for the abused and neglected children in Rapid City.

Please feel free to contact me if you have any questions regarding these numbers.

Sincerely,



Sheila Troxel Snyder
CASA Executive Director

cc: Scott McDonald, CASA Board President

Legal & Finance Committee meetings –

- November 15, 2006
 - No comments received
- January 31, 2007
 - TBD

City Council Meetings –

- November 20, 2006
 - No comments received
- February 5, 2007

Copies of the Minutes from the Legal & Finance Committee Meetings and the City Council Meetings are in Appendix II.

See Appendix II – Council Meetings Minutes

See Appendix III – Copies of Public Newspaper Ads Run

Provide a summary of efforts made to broaden public participation in the development of the consolidated plan, including outreach to minorities and non-English speaking persons, as well as persons with disabilities.

Notifications of the comment period and public meeting were posted in the local newspaper, the Rapid City Journal and a statewide Native American newspaper, the Lakota Journal. They were also emailed to everyone who has inquired about the CDBG program or requested notification, and distributed by email to a Native American networking group, the Native American Urban Networking Society.

Representatives from organizations serving minority persons and handicapped clients were invited to meetings held to gather information and local stakeholder input for the formulation of the Consolidated Plan. Participants were asked for their input on what the high priority needs of their clients were, what gaps existed in meeting those needs and to quantify them. Information provided was used in the drafting of the amendment to the Consolidated Plan. The City also seeks information in an ongoing basis to keep abreast of the changing needs of the community.

The Mayor has two Committees that work with the City and provide important input regarding issues affecting disabled persons and the Native American community, the Committee on Disabilities, and the Rapid City Community Relations Council. Their valuable input helps the City determine priorities and address the issues that are brought before them.

Community Development staff continues to provide technical assistance to all organizations seeking to utilize CDBG funds to implement projects or services that benefit the low income, minorities and disabled persons in the community.

3. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.

All comments were accepted and considered prior to final approval of the FY 2007 Annual Action Plan.

*Please note that Citizen Comments and Responses may be included as additional files within the CPMP Tool.

Institutional Structure

1. Describe actions that will take place during the next year to develop institutional structure.

The City Attorney's Department of the City of Rapid City is responsible for the administration of the Consolidated Plan and the Annual Action Plans. This department's Community Development division interacts with public and

private organizations interested in addressing the prioritized goals of the plans to help them formulate plans and activities, apply for funding, identify other funding sources available, and encourage the creation of partnerships with other compatible agencies to avoid duplication of services.

Non-profit organizations interested in developing housing, bankers interested in working with developers, and direct service providing agencies dealing with clients needing affordable housing typically contact the Community Development Division. Communications with the State's housing authority, South Dakota Housing Development Authority, and the County's housing authority, Pennington County Housing and Redevelopment Commission, assists the City in knowing the number of housing units projected or approved for construction. It also alerts the City to any development issues that might be occurring in certain neighborhoods, such as over concentration of multi-family housing units.

The Community Development Division administers the CDBG program and implements sub-grantee agreements with agencies receiving funding. A close working relationship with non-profit direct service providers in the community helps keep the City informed of citizen needs of all types, not just housing. By reaching out to the community through the Chamber of Commerce, the Economic Development Partnership, neighborhood organizations, and service clubs, 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, the Community Development Division will continue to work with the Mayor of Rapid City and his Housing Task Force to develop a long range housing plan that identifies the housing needs that exist and develop a plan for addressing them. The Housing Task Force will continue to address the identified housing issues and adopt a plan to eliminate chronic homelessness within ten years. The plan will be presented to City Council for their comments, input and support, and then be taken to the public for their input and comments before finalization. The Task Force will help identify funding sources, interested developers and project leaders. Rapid City seeks to increase the number of low-income transitional housing projects, thereby increasing the numbers of homeless households and persons assisted with transitions from shelters to permanent housing.

See Assessment of Institutional Structure Table (next page)

TABLE 5
Assessment of Institutional Structure

Section/Agency	Strength	Weakness
Public		
CDBG/HUD Programs	<ul style="list-style-type: none"> ■ Coordination of programs and resources. ■ Production/preservation of units. ■ Timeliness. ■ L/M direct benefit. 	<ul style="list-style-type: none"> ■ Annual funding uncertainty. ■ Reporting/paperwork
Section 8 Rental Assistance	<ul style="list-style-type: none"> ■ Rental Assistance 	<ul style="list-style-type: none"> ■ High rental costs in Rapid City. ■ Uncertain funding ■ Shortage of funding for the need
Welfare Office	<ul style="list-style-type: none"> ■ Emergency Assistance. ■ Commodities distribution. 	<ul style="list-style-type: none"> ■ Staffing. ■ Funding.
South Dakota Housing Development Authority	<ul style="list-style-type: none"> ■ Resources ■ Affordable Housing Programs ■ Developer Programs ■ Governor’s House Program 	<ul style="list-style-type: none"> ■ Regulatory limits. ■ Availability of funds. ■ Various controls required. ■ Timeliness.
Black Hills Region Homeless Coalition	<ul style="list-style-type: none"> ■ Emergency assistance. ■ Coordinated approach. ■ Inner Agency increased communication and partnerships. 	<ul style="list-style-type: none"> ■ Voluntary association.
Social Service Agencies	<ul style="list-style-type: none"> ■ Emergency services. ■ Supportive services. 	<ul style="list-style-type: none"> ■ Transportation. ■ Funding. ■ Staffing (shortage for needs.)
Private		
Lenders	<ul style="list-style-type: none"> ■ Underwriting, funding, servicing. ■ Financing/Loans ■ CRA participation 	<ul style="list-style-type: none"> ■ Adverse to risk. ■ Restrictive program underwriting ■ Timeliness. ■ Rate variation. ■ Financing capabilities.
Developers/Contractors	<ul style="list-style-type: none"> ■ Construction. ■ Rehabilitation. 	<ul style="list-style-type: none"> ■ Knowledge of government program regulations. ■ Limited interest in low income projects
Non-Profit		
Non-profit Organizations	<ul style="list-style-type: none"> ■ Rehabilitation. ■ Support services. 	<ul style="list-style-type: none"> ■ Long-term financial stability ■ Technical expertise.
Churches	<ul style="list-style-type: none"> ■ Emergency services. ■ Volunteer work force. 	<ul style="list-style-type: none"> ■ Funding.

Monitoring

1. *Describe actions that will take place during the next year to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements.*

Regulations concerning the Consolidated Plan state that it “must describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements.” This section describes the monitoring standards and procedures that Rapid City will follow during the implementation of the Consolidated Plan and FY 2007 Action Plan.

- **Monitoring Programs and Activities**

- *CDBG Program*

The Community Development Division will monitor activities carried out to further the Consolidated Plan and Annual Action Plan to ensure long-term compliance with program requirements.

The objectives of this monitoring are to make sure that funded activities:

- 1) comply with all regulations governing their administrative, financial, and programmatic operations;
- 2) achieve their performance objectives within schedule and budget; and
- 3) comply with the Consolidated Plan and Annual Action Plan.

Monitoring occurs through site visits to agencies receiving funding and written quarterly reports turned in by the agencies, outlining their progress and accomplishments. In addition, the City requires full documentation supporting activities being billed for draw down of funds, which is reviewed prior to approval of the draws. Projects that trigger Davis Bacon guidelines have additional oversight requirements that include a contractor training session to review payroll and draw documentation, work site requirements and minimum pay rates for workers.

Internal controls have been designed to ensure adequate segregation of duties. The City's Finance Department establishes accounts and issues checks for draw requests after review processes are completed, in cooperation with the Community Development Division. The Community Development Division monitors invoices for compliance with the contractual agreement, approved spending plan and federal regulations. The Finance Department does a secondary review of the draw based on purpose of draw, amount requested, and supporting documentation. The

Community Development Division is responsible for setting up and administering project activities on the Integrated Disbursement and Information System (IDIS).

The Community Development Division prepares contractual agreements between the City and sub-grantees for all activities supported by CDBG. The City Attorney and City Council review contracts prior to securing the Mayor's signature on the contracts. The contracts spell out the requirements for reporting, documentation and access for site reviews of records, and sub-grantee obligations to meet all applicable HUD, local, state, and federal regulations applicable to the funding source and project.

➤ *Rapid City Neighborhood Restoration Program*

The City of Rapid City has written procedures in place for the Rapid City Neighborhood Restoration Program, which provides assistance to low-income homeowners for housing rehabilitation activities. The rehabilitation staff works with homeowners to:

- collect cost estimates and specification packages;
- review the estimates for best value;
- draw up construction contracts between the homeowner and contractor that provide for corrections of any violations of local codes;
- perform on-site inspections; and
- ensure satisfactory completion before payment is made.

Escrow accounts are set up for each rehabilitation project by the Finance Department at the request of the Community Development Division. Purchase orders for payments from the escrow accounts are reviewed and prepared by the Community Development Division, then presented to the Finance Department for payment. Lien waivers are secured prior to presentation of the check to contractors.

➤ *Minority Business Outreach*

Rapid City shall encourage participation by minority-owned businesses in CDBG assisted activities. Rapid City shall maintain records concerning the participation of minority-owned businesses to assess the results of its efforts and to complete the semi-annual "Minority Business Enterprise Report" to HUD. Any contractor interested in bidding on jobs available under the Housing Rehabilitation Program will receive an application package and, if qualified, will be included on a list of contractors to receive announcements about the availability of bid packages.

➤ *Comprehensive Planning Requirements*

To ensure compliance with the comprehensive planning requirements of the Consolidated Plan process, the Community Development Division will review the process on an ongoing basis. The review will assess compliance with federal requirements concerning citizen participation, and consistency of actions taken with those specified in Rapid City's "Citizen Participation Plan." Records documenting actions taken will be maintained for each program year.

An amendment to the Consolidated Plan was processed in 2006 to update the plan and add new high priority goals.

Lead-based Paint

- 1. Describe the actions that will take place during the next year to evaluate and reduce the number of housing units containing lead-based paint hazards in order to increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families, and how the plan for the reduction of lead-based hazards is related to the extent of lead poisoning and hazards.*

HUD Regulations 1012 and 1013, which took effect on September 15, 2000, require a more specific treatment for lead-based paint hazards. The extent of the treatment on federally funded projects is based on the project's cost and range from interim controls to full-scale lead-based paint abatements.

The City of Rapid City and West River Foundation for Economic and Community Development will perform rehab on existing housing stock. Evaluations of lead-based paint presence will be conducted as part of the rehab process and appropriate mitigations will be accomplished, when required. However, due to the high cost of lead abatement and the limited amount of funds available per project, projects requiring abatement will probably not be financially feasible and therefore will not likely be undertaken.

Western SD Community Action Agency has invested in training several of their employees in the areas of risk assessors, clearance technicians, and lead-safe work practices and has purchased equipment to identify lead paint in the units eligible for their programs. Western SD Community Action Agency has also agreed to accomplish risk assessments and clearance activities for the City on units receiving CDBG assistance funding from the City's Neighborhood Restoration housing rehabilitation program. All rehabilitation work on units built before 1978 and assisted by CDBG funds is undertaken with the assumption of the existence of lead-based paint. The City program requires stabilization of all deteriorated painted surfaces using lead-based paint safe work practices. Lead-based paint abatement is allowed if it can be done within the funding limitations of the program.

Approximately 72% of the existing housing stock in Rapid City was built prior to 1979 according to the 2000 Census and is approaching, or is

already over thirty years old, and now requires repair and updating, which presents the potential for disturbance of lead based paint.

The City of Rapid City recognized the need to have more contractors certified in safe work practices for dealing with potential lead paint hazards for the benefit and safety of the citizens, as well as the contractors themselves. The City sponsored the *Lead Safety Training Program for Remodeling, Repair and Painting* class presented by MasiMax in July, 2005, for contractors and housing professionals in the Rapid City area who deal with rehab and repair of older homes. The City also certified the course for Continuing Education credits for licensing renewal for contractors. Twenty-three (23) people attended the class.

Private organizations advertised offerings of Lead Safety Classes in the region in 2006, however no classes were conducted in Rapid City due to lack of interest among contractors. The City will continue to encourage contractors to attend classes and utilize lead safe practices when performing work on homes built prior to 1978.

HOUSING

Specific Housing Objectives

*Please also refer to the Housing Needs Table in the Needs.xls workbook.

1. *Describe the priorities and specific objectives the jurisdiction hopes to achieve during the next year.*

Affordable housing for the homeless, renters and potential homebuyers continues to be one of the top concerns of the citizens, and the City. The average sale price of a single-family home in the Rapid City area in 2006 was \$164,826, a 5% increase over a 2-year period. The average sale price of new construction homes rose 17% over the past two years to \$203,465. The increases are due to rapidly rising costs for the land, development and materials.

The City has allocated CDBG funds to provide transitional housing for homeless families, and rehabilitation of existing housing to maintain affordability. Housing Priorities that will be met by CDBG funded projects will include:

Lutheran Social Services – Stepping Stones Program will use CDBG funds to purchase an existing eight to twelve unit apartment building to provide transitional rental housing for homeless youth ages 16-20 that are aging out of the State system, foster home system or coming out of juvenile detention.

Priority — Create new affordable rental housing
Homeless and special needs populations –
Individuals

Priority — Transitional Housing
Homeless and special needs populations-
Individuals

Corner Stone Rescue Mission – Corner Stone Apartments Project will use CDBG funds to pay for infrastructure costs for the construction of a 24-unit apartment building for transitional housing for homeless families with children.

Priority — Create new affordable rental housing
Homeless and special needs populations -
Individuals

Priority — Transitional Housing
Homeless and special needs populations –
Individuals

Behavior Management Systems – 121 North Street – Behavior Management Systems will use CDBG funds to upgrade two bathrooms to ADA requirements in a supportive housing apartment building.

Priority — Handicap Accessibility Modifications – Special
Populations
Rental units.

In addition to the above funded projects, four agencies will carry forward funds from previous years to complete projects that will address the following priorities:

The City of Rapid City's Neighborhood Restoration Program will continue to utilize CDBG funds and program income carried forward from 2004 to assist low-income homeowners with repairs to their homes that address accessibility, structural, energy efficiency, and health or safety issues

Priority — Owner-occupied housing rehabilitation
Extremely low, very low, and low-income
Preserve housing stock through rehabilitation

West River Foundation for Economic and Community Development will use CDBG funds carried forward from 2006 to purchase substandard properties for rehabilitation and then resale to a low-income household. This project will also support the Weed and Seed's program goal of revitalization of older, deteriorating neighborhoods. (See below – this project meets two priorities of the Consolidated Plan)

Priority — Owner-occupied housing rehabilitation
Extremely low, very low, and low-income
Preserve housing stock through rehabilitation

Priority — Home Ownership for Low to Moderate Income
People
Acquisition cost assistance

Home ownership opportunities for extremely low, very low and low-income renters.

The Rapid City Community Development Corporation will provide direct homeownership assistance in the form of principal reduction, down payment or closing cost funds to low-income households purchasing a home using funds and program income carried forward from 2005 and 2006.

Priority — Home Ownership for Low to Moderate Income People
Acquisition cost assistance
Home ownership opportunities for extremely low, very low and low-income renters.

The Teton Coalition will provide direct homeownership assistance in the form of down payment and/or closing cost assistance to low income households purchasing a home using program income carried forward from 2006.

Priority — Home Ownership for Low to Moderate Income People
Acquisition cost assistance
Home ownership opportunities for extremely low, very low and low-income renters.

2. Describe how Federal, State, and local public and private sector resources, that are reasonably expected to be available, will be used to address identified needs for the period covered by this Action Plan.

Community Development Block Grant funds are utilized by organizations to leverage other Federal, State and local funds to accomplish the projects listed above.

CDBG funds allocated for housing projects, in the amount of \$150,250 will be used to leverage an additional \$2,923,409 to accomplish these projects.

TABLE 6	
FUNDS LEVERAGED BY CDBG FUNDED HOUSING PROJECTS	
FY2007	
Agency	Estimated Funds
Behavior Management Systems	
CDBG - Medications Program	\$ 30,000
CDBG - Rehab Project	\$ 12,300
Title XIX	\$ 2,653,900
CMHS Block Grant	\$ 1,775,080
Other Grants	\$ 316,059
Gambling Service Fee	\$ 16,460
Cornerstone Rescue Mission	
CDBG - Acquisition FY 2006	\$ 100,000
CDBG - Acquisition FY 2007	\$ 50,000
FHLB Grant	\$ 120,000
Supportive Housing Grant	\$ 400,000
Local Funds - 2012 Funds	\$ 250,000
Citibank Low Income Housing Tax Credits	\$ 1,281,825
HOME Mortgage	\$ 578,421
Local Donations	\$ 40,000
Lutheran Social Services - Stepping Stones	
CDBG	\$ 59,200
United Way (2005)	\$ 571,074
Grants - Government Agencies(2005)	
- Dept. of Health & Human Services	\$ 1,891,581
- Dept. of State Bureau of Population Refugees & Migration Funds	\$ 268,737
- Dept. of Agriculture Funds	\$ 122,112
- Dept. of Justice Funds	\$ 134,949
- Dept. of Education	\$ 134,949
- Dept HUD	\$ 17,120
LIRS Grants(2005)	\$ 198,447
Other Grants(2005)	\$ 189,348
Private Donations	\$ 32,000
Salvation Army	
CDBG	\$ 25,000
Emergency Food & Shelter Program(FEMA)	\$ 4,072
Private Donations	\$ 16,985
Fees and Interest Income	\$ 12,000
United Way	\$ 32,800
City of Rapid City Subsidy	\$ 4,292
In-Kind	\$ 40,000

Jurisdiction

Mortgage	\$	434,875
Western Resources for dis-Abled Independence		
CDBG	\$	28,750
Other Federal Funds	\$	10,000
South Dakota Human Services - Division of Rehabilitation	\$	53,738
Private Donations	\$	13,500
Working Against Violence (WAVI)		
CDBG	\$	5,000
Federal Grant- Rural Outreach	\$	3,790
State Grants		
- Child Protection Services	\$	8,199
- VOCA - Victims of Crime Act	\$	75,560
- FVPA - Family Violence Prevention Act	\$	85,793
- ESG - Emergency Shelter Grant	\$	14,035
- VEI - Victims Enforcement Implementation Task Force	\$	8,572
- DASA - Domestic Abuse Sexual Assault	\$	13,225
- VAWA - Stop Violence Against Women Act	\$	18,729
Pennington County Grants	\$	64,879
City of Rapid City Subsidy	\$	4,000
Other Government Grants	\$	2,631
Fee & Interest Income	\$	17,980
In-Kind	\$	64,000
Private donations	\$	452,000

Needs of Public Housing

1. *Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.*

The City of Rapid City is not funding public housing improvements or resident initiatives. Pennington County Housing and Redevelopment Corporation (PCHRC) receives Public Housing Capital Program funds, Section 8 Tenant Based Assistance Funds, and Shelter Plus Care funds to maintain its properties in safe and sanitary conditions for the residents and fund assistance programs for low-income tenants.

PCHRC offers a Self Sufficiency Program to tenants who wish to pursue homeownership and qualify for the program.

PCHRC will seek to acquire land for future development of affordable housing and will seek to acquire or develop additional housing units based on needs or

Jurisdiction

opportunities that may arise, as affordable building sites are difficult to find and prices continue to rise.

Rapid City has a joint cooperation agreement with PCHRC that provides for the collaboration on the development of affordable housing units. The administrator of PCHRC works closely with Rapid City's Community Development Specialist in reviewing needs for housing development, public housing tenant needs within the community and jointly working to further additional affordable housing locally. PCHRC's Agency Plan is on file with Rapid City. Rapid City will consider requests by PCHRC for Certifications of Consistency with the Consolidated Plan.

The Shelter Plus Care funds received by PCHRC are used for scattered site permanent supportive housing units for dually diagnosed homeless people. This project is a collaborative effort of PCHRC and Behavior Management Systems and members of the Black Hills Area Homeless Coalition, who provide In-Kind supportive services to the tenants.

- 2. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.*

N/A - Pennington County Housing and Redevelopment Corporation has not been designated as troubled or performing poorly.

Barriers to Affordable Housing

1. Describe the actions that will take place during the next year to remove barriers to affordable housing.

Barriers to affordable housing and fair housing choice in Rapid City, as identified in the Consolidated Plan include:

- *Low income levels or wages.*
The major barrier to affordable housing, for home purchase and rentals, continues to be a lack of livable wage jobs for people without higher education. A person making only minimum wage in South Dakota needs to have 2.3 minimum wage jobs in order to afford a two bedroom apartment. A housing needs assessment accomplished in September 2005, by the Black Hills Area Homeless Coalition, of 752 people utilizing various social service agencies in Rapid City, showed that 66% of the respondents make less than \$1,000 and 41% make less than \$500. The 2000 Census shows that 5,411 households in Rapid City are cost burdened paying more than 30 percent of their income for housing expenses.

In 2005 the City, County, and State fought vigorously to get Ellsworth AFB removed from the base closure list. It was a successful effort that saved many jobs and eliminated a potentially devastating blow to the local economy. The

City of Rapid City, Chamber of Commerce, and Rapid City Economic Development Partnership continue to aggressively pursue new industry and businesses for the area that typically have higher wage scales and job opportunities. They are working to attract high tech businesses that generate higher wage jobs for graduates of the local universities, colleges and vocational technical school. The City is also considering the establishment of a micro-enterprise loan fund for low income persons starting or expanding a business.

Three new shopping malls in Rapid City are scheduled to begin construction in 2007. This will add hundreds more retail jobs, increasing competition for employees among the retailers and possibly driving wages higher to attract experienced employees.

- *A lack of affordable housing, both rental and home ownership, for very low income and low income households for single parents, families with children, seniors, and persons with disabilities.*

Rapidly rising land costs, that have doubled the price of a lot in the past ten years, continue to be a significant barrier to homeownership and the construction of affordable housing for low income households. The shortage of affordable lots on which to develop new low-income single family housing has caused some local non-profit housing agencies to shift their focus from new construction of homes to providing acquisition cost assistance as they are priced out of the land market. The average price range of a single family housing lot is now \$30,000 - \$35,000 and rising development costs due to materials shortages and high building demand around the country have elevated the costs of a starter home beyond the qualifying range of most low income households.

The number of days on the market for home sales increased in 2006, and the number of homes sold has decreased. There has been a slowing of the sales market, but only a very slight reduction in housing prices.

The City did not allocate funds to the Rapid City Community Development Corporation or Black Hills Area Habitat for Humanity for 2007, as they still have funds and/or program income remaining from previous years. However, their programs continues to assist low income homebuyers with those dollars by reducing the mortgage amount of a home or assisting with the minimum down payment and/or closing costs for the purchase of a home within the corporate limits of Rapid City. West River Foundation for Economic and Community Development also continues to use their remaining CDBG funds for their acquisition rehabilitation program, which will revitalize deteriorating housing stock for resale to low income households. Deferred loans to the homebuyers of all three programs help keep their housing costs low.

The City supports for-profit agencies developing low-income apartments with support letters for their applications for South Dakota Housing Low Income Housing Tax Credits and HOME funds. In December of 2006, the City provided a support letter for the second phase of a new construction project proposing to build an additional 52 units consisting 26 – 2 bedroom units and 26 – 3 bedroom units for low-income families. The units will be completed in FY 2007.

- *Development costs and fees that increase housing cost.*

The City has no control over the shortage or increasing cost of materials.

The City does accept applications for Tax Increment Financing assistance. The City may also consider approval of higher density development for a project targeting low-income households. In late 2005 a 42-unit subdivision targeting low-income homebuyers was approved for higher density building and a TIF. It was the first time that a TIF was used for an affordable housing project. Infrastructure was completed in late 2005 and construction of homes continued through 2006.

- *A lack of adequate emergency and transitional housing units is an impediment to fair housing choice.*

The City is providing additional CDBG funds to Corner Stone Rescue Mission's transitional housing project, Salvation Army's transitional housing project, and Lutheran Social Services for additional transitional units for youth.

- The City is supporting Corner Stone Rescue Mission's project to construct a 24-unit transitional housing apartment complex that will serve the homeless with children with both CDBG and Vision 2012 funds. Comprehensive supportive services will be provided to the residents as part of their case management program.
 - The City is providing funding to Salvation Army to provide rent and utility assistance to clients during their transition into permanent housing as well as other residents of Rapid City seeking their assistance. The Salvation Army transitional housing program utilizes scattered site existing apartments and homes.
 - The City is providing funding to Working Against Violence, Inc. (WAVI) for program delivery costs for their emergency shelter for victims of violence.
 - CDBG funds are allocated to Lutheran Social Services to purchase additional apartments for transitional housing for youth leaving the state and foster care systems.
- *Housing discrimination is an impediment to fair housing choice.*
 - The City will provide funding to Dakota Plains Legal Services, who provides education to the community and civil legal services and representation to low-income persons for a variety of housing issues, including housing discrimination.
 - Housing discrimination usually stems from larger, broader discriminations associated with prejudices focused on race, disabilities, or low income. The City supports local non-profit agencies dealing with affordable housing, disabilities and issues of accessibility, the homeless, etc. in their efforts to educate the community on their rights, how to identify discrimination, how to report it and how to avoid predatory lending practices. The Teton Coalition and Consumer Credit Counseling Service of the Black Hills/Housing Division (CCCS/BH/H) provide homebuyer's education courses to potential homebuyers. CCCS/BH/H also provides credit counseling, financial literacy and predatory lending classes. Both agencies are HUD certified and receive HUD Housing Counseling Funds and state grants to provide homebuyer education.

- The Mayor's Committee for People with Disabilities and the Community Relations Council help to promote education and understanding regarding disabilities and racial issues within the community on a year round basis.
- *The NIMBY (not in my backyard) syndrome is an impediment to fair housing choice.*
The NIMBY syndrome is one of the hardest impediments to overcome, however the City will continue to work with non-profit agencies in efforts to educate the community and dispel fears, misconceptions, and stereotypes that fuel NIMBY'ism.

HOME/ American Dream Down Payment Initiative (ADDI)

Rapid City does not receive HOME or American Dream Down Payment Initiative funds.

The City of Rapid City is not a HOME funds entitlement community. HOME funds are disbursed at the state level through direct applications to South Dakota Housing Development Authority. The City does provide support letters to developers or organizations applying for funding for qualifying activities that are identified as a high priority in the Rapid City Consolidated Plan.

- The City provided a support letter for the Eagle Ridge Phase II Apartments project. The first phase has been completed and is already filling the apartments with qualified low-income tenants. Phase II will begin construction in the spring of 2007 and will provide an additional 56 apartments, 23-2 bedroom and 23-3 bedroom apartments.
- The City also provided support letters for applications for FY 2006 HOME funds for West River Foundation for Economic and Community Development's acquisition rehabilitation project and Corner Stone's 24-unit transitional housing project for households with children.

State program guidelines for the American Dream Down Payment Initiative (ADDI) were amended to allow use of the funds in the Rapid City area in late 2006. ADDI funds will continue to be available to qualifying low-income homebuyers until funds are depleted.

Applicants apply directly to the State Housing Authority to access those funds.

HOMELESS

Specific Homeless Prevention Elements

*Please also refer to the Homeless Needs Table in the Needs.xls workbook.

1. *Sources of Funds—Identify the private and public resources that the jurisdiction expects to receive during the next year to address homeless needs and to prevent homelessness. These include the McKinney-Vento Homeless Assistance Act programs, other special federal, state and local and private funds targeted to homeless individuals and families with children, especially the chronically homeless, the HUD formula programs, and any publicly-owned land or property. Please describe, briefly, the jurisdiction's plan for the investment and use of funds directed toward homelessness.*

CDBG funds are being leveraged with HOME funds, HUD Supportive Housing Program Funds, City of Rapid City Vision 2012 funds, and Federal Home Loan Bank funds along with other private grants and local donations to be used in the construction of transitional housing to help move homeless from the emergency shelters to apartments with supportive services.

Individual agencies within the community also receive funds from many foundations and private donors to provide services to the homeless or for homeless prevention.

- o Funds will be used to provide a staff person to access grants for free drugs for the homeless and low income people participating in case management and counseling programs.
- o Funds will be used to provide free legal services to people who are homeless, low-income, elderly or victims of domestic violence.
- o Property will be purchased and/or rehabilitated to provide affordable transitional housing units for youth aging out of the foster or state systems.
- o A homeless prevention program will provide assistance funds for delinquent utility, rent or mortgage bills, and assist with rent deposits to secure housing.
- o Funds will help cover costs for emergency shelter for victims of domestic violence.

(See "Funds Leveraged by CDBG Funded Projects for FY 2007" chart on next page.)

TABLE 7	
FUNDS LEVERAGED BY CDBG FUNDED PROJECTS FOR FY 2007	
Agency	Estimated Funds
Behavior Management Systems	
CDBG - Medications Program	\$ 30,000
CDBG - Rehab Project	\$ 12,300
Title XIX	\$ 2,653,900
CMHS Block Grant	\$ 1,775,080
Other Grants	\$ 316,059
Gambling Service Fee	\$ 16,460
Cornerstone Rescue Mission	
CDBG - Acquisition FY 2006	\$ 100,000
CDBG - Acquisition FY 2007	\$ 50,000
FHLB Grant	\$ 120,000
Supportive Housing Grant	\$ 400,000
Local Funds - 2012 Funds	\$ 250,000
Citibank Low Income Housing Tax Credits	\$ 1,281,825
HOME Mortgage	\$ 578,421
Local Donations	\$ 40,000
Dakota Plains Legal Services	
CDBG	\$ 7,250
Legal Services Corporation(Migrant, TIG, Native American/SD Elderly Grant)	\$ 1,328,099
Non LSC Grants/Contracts	\$ 603,674
Lutheran Social Services - Stepping Stones	
CDBG	\$ 59,200
United Way (2005)	\$ 571,074
Grants - Government Agencies(2005)	
- Dept. of Health & Human Services	\$ 1,891,581
- Dept. of State Bureau of Population Refugees & Migration Funds	\$ 268,737
- Dept. of Agriculture Funds	\$ 122,112
- Dept. of Justice Funds	\$ 134,949
- Dept. of Education	\$ 134,949
- Dept HUD	\$ 17,120
LIRS Grants(2005)	\$ 198,447
Other Grants(2005)	\$ 189,348
Private Donations	\$ 32,000

Salvation Army	
CDBG	\$ 25,000
Emergency Food & Shelter Program(FEMA)	\$ 4,072
Private Donations	\$ 16,985
Fees and Interest Income	\$ 12,000
United Way	\$ 32,800
City of Rapid City Subsidy	\$ 4,292
In-Kind	\$ 40,000
Mortgage	\$ 434,875
Working Against Violence (WAVI)	
CDBG	\$ 5,000
Federal Grant- Rural Outreach	\$ 3,790
State Grants	
- Child Protection Services	\$ 8,199
- VOCA - Victims of Crime Act	\$ 75,560
- FVPA - Family Violence Prevention Act	\$ 85,793
- ESG - Emergency Shelter Grant	\$ 14,035
- VEI - Victims Enforcement Implementation Task Force	\$ 8,572
- DASA - Domestic Abuse Sexual Assault	\$ 13,225
- VAWA - Stop Violence Against Women Act	\$ 18,729
Pennington County Grants	\$ 64,879
City of Rapid City Subsidy	\$ 4,000
Other Government Grants	\$ 2,631
Fee & Interest Income	\$ 17,980
In-Kind	\$ 64,000
Private donations	\$ 452,000

2. *Homelessness—In a narrative, describe how the action plan will address the specific objectives of the Strategic Plan and, ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.*

Ending chronic homelessness is a high priority of the Strategic Plan and the City is working on developing a ten-year plan to achieve that goal. In previous years, the focus for funding activities has been on developing affordable single family housing. That focus has shifted to funding activities that will help provide housing first to homeless people, along with the needed supportive services to address household issues. There is a marked shortage of transitional housing in Rapid City, which contributes to the “revolving door” syndrome experienced by so many homeless. Transitional housing will provide people transitioning from the shelter to permanent housing the time needed to accrue some financial reserves, get supportive services and job training so they can be more successful in retaining housing.

- **Corner Stone Rescue Mission – Corner Stone Apartments Project** will use CDBG funds to pay for infrastructure costs for the construction of a 24-unit apartment building for transitional housing for homeless families with children. Transitional housing has been identified as a high priority need for Rapid City. Emergency homeless and domestic violence shelters are only able to provide shelter for a limited amount of time. Often, the homeless need assistance in securing a job and then must have time to handle financial, medical, mental, substance, or family issues that affect their ability to secure or maintain permanent housing. There is very limited transitional housing in Rapid City, and it has been identified by the Mayor’s Housing Task Force as a high priority need. Residents of the transitional housing will receive intensive case management and supportive services to help stabilize their household and allow them to have safe, affordable housing while doing so. The City is providing CDBG and Vision 2012 funding to Corner Stone Rescue Mission for the acquisition, infrastructure and/or construction. The project will include 24 two and three bedroom units, a common/activity room and three counseling offices. Qualifying households accepted into the transitional housing program will be allowed to stay in the apartments for a maximum of 24 months during which time they will receive supportive services designed to provide household stabilization and meet the needs of their family. Families will pay 30% of their income as rent.

Priority — Create new affordable rental housing.
Homeless and special needs populations – Individuals

Priority — Transitional Housing
Homeless and special needs populations – Individuals

Obstacles — We are not anticipating many obstacles to this project. Funding has already been committed to the project and it is a project that has a lot of public support. Land has been located and purchased. The apartments will be located in an area that is predominately multi-family rentals. NIMBY’ism is not expected to be a significant issue for this location or project.

- **Lutheran Social Services – Stepping Stones Program** will use CDBG funds to purchase an existing eight- to twelve-unit apartment building to provide transitional rental housing for homeless youth ages 16-20 that are aging out of the State system, foster home system or coming out of juvenile detention. It is difficult for young people to access Section 8 housing or subsidized housing upon leaving the state systems as the waiting lists for housing are long. The youth often do not have jobs or the documentation needed to get a job or a driver’s license. Additional transitional housing will provide them with affordable housing and services needed while they establish themselves and learn the life skills they will need to be successful.

- Priority — Create new affordable rental housing.
Homeless and special needs populations – Individuals

- Priority — Transitional Housing
Homeless and special needs populations – Individuals

- Obstacles — Cost for acquiring a property and performing needed rehabilitation may be an obstacle for this project. Nimby'ism could be an issue, depending on the location of the property.

3. *Chronic homelessness—The jurisdiction must describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness by 2012. Again, please identify barriers to achieving this.*

The City of Rapid City is in the process of developing a specific plan to eliminating chronic homelessness within 10 years. The plan will be completed in the first quarter of 2006.

The primary obstacle will be funding and acquiring housing units with subsidies or Section 8 vouchers to cover rental costs for those who have very limited income. Additional barriers include:

- Stable, adequate funding for case management, counseling services and program operations is the second greatest obstacle. Charitable donations for services targeting active substance abusers, felons, sexual predators, etc. are very rarely given.
- Health benefits or funds for needed medications. Many of the chronic homeless suffer from persistent, severe mental illness or are actively involved in substance abuse. Medications prescribed for their illnesses are expensive and those suffering from the illness often can not afford them, so it becomes a continuous circle of incarceration, treatment, release, lack of funds to purchase medications, reoccurrence of illness and re-incarceration.
- Lack of jobs for persons with felony records.
- Lack of subsidy for the gap between earnings and affordable rents for permanent housing.
- Success for ending chronic homelessness has many barriers to overcome, not the least of which is motivating and helping the chronic homeless person to stop the destructive behavior that contributes to their inability to maintain permanent housing.

4. *Homelessness Prevention—The jurisdiction must describe its planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.*

Rapid City is providing funds to the Salvation Army to provide assistance to persons already housed who may be behind on utility, rent or mortgage payments

due to unemployment, medical emergencies or other extenuating circumstances. The Salvation Army also provides funds for a security deposit and first months rent for homeless persons entering permanent housing. Assistance with rent and utilities is also provided by Pennington County Public Health & Human Services.

Pennington County Housing and Redevelopment Authority has a homeless prevention program that will work with tenants who get behind in their rent, if they agree to go to participate in credit counseling and a financial literacy education course.

South Dakota Housing Development Authority (SDHDA) maintains a listing of affordable units in the region and community with a description of the property and contact information. The list is posted on-line. Shelters, welfare offices, community health nurses, and other points of contact were notified of the availability of the list by SDHDA. SDHDA is also in the process of installing another web site to show listings of market rate apartments as well as subsidized units.

5. Discharge Coordination Policy—Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.

Corner Stone Rescue Mission and community non-profit organizations that provide counseling and case management services to homeless persons or families in Rapid City have already formed a Community Case Management Committee that meets weekly to review discharge plans and discuss on-going case management issues for mutual clients. Rapid City Regional Hospital, Sioux San Hospital and the state hospital in Yankton all notify Corner Stone Rescue Mission prior to patient release to discuss need and availability of services for the patient. Corner Stone staff will then coordinate services with providers in the community. The Committee has representatives from all of the major stake-holders for homeless services. Members include Corner Stone Rescue Mission, Behavior Management Services, Rapid City Community Health Clinic, Western Resources for dis-abled Independence, Rapid City Club for Boys, Love, Inc., the Veteran’s Center and the VA Clinic, Sioux San Hospital, the Rapid City School District Homeless Coordinator, Shelter Volunteer Counselors, and the Women and Children’s Home.

This committee works together to improve communication among releasing hospitals, all providers, and the clients and to find new ways to streamline the process.

Emergency Shelter Grants (ESG)

(States only) Describe the process for awarding grants to State recipients, and a description of how the allocation will be made available to units of local government.

N/A – Handled through the State.

COMMUNITY DEVELOPMENT

Community Development

*Please also refer to the Community Development Table in the Needs.xls workbook.

1. *Identify the jurisdiction's priority non-housing community development needs eligible for assistance by CDBG eligibility category specified in the Community Development Needs Table (formerly Table 2B), public facilities, public improvements, public services and economic development.*

Priority — Public Services

- **Homeless and Special Needs Populations/Individuals;**
- **Supportive Services; Case Management; Dually Diagnosed**
 - Behavior Management Systems
 - Provide staff person to submit paperwork to pharmaceutical companies to access free medications for persons with serious long term mental illnesses, such as schizophrenia, bi-polar disorders and severe depression, which may be controlled with medication. Medications can cost between \$100 and \$1,000 per month. Low-income clients cannot afford them, and end up going off their meds, resulting in re-hospitalization, incarceration, or other costly support programs. (Some of their clients may be homeless.)
 - The only obstacle to this program is a shortage of funds for staffing to meet the needs of all the people seeking assistance.
- **Legal Services for the Elderly, Homeless, Victims of Domestic Violence and Low Income Residents**
 - Dakota Plains Legal Services
 - Provide direct civil legal assistance for the homeless, elderly, domestic violence victims, and low-income residents.
 - Dakota Plains Legal Services provides community education on various topics relevant to low-income people.
 - The only obstacle to this program is a shortage of funds to provide staffing to meet the needs of all the people seeking assistance.
- **Victims of Domestic Violence – Counseling and Life Skills**
- **Emergency Housing for Victims of Domestic Violence**
 - Working Against Violence, Inc. (WAVI) to provide counseling, life skills training and relocation assistance for victims of domestic violence who have become homeless.
 - The main obstacle to this program is the shortage of funds for operations costs to meet the growing need for assistance.

- **Youth Services, Youth Programs,**
 - Youth and Family Services – Counseling
 - Provide funds for counseling sessions and intervention.
 - YFS provides intervention and counseling services for primarily low-income youth and families, as well as a 24-hour crisis hotline.
 - Counselors provide child abuse counseling, sexual abuse counseling and individual family and group counseling sessions.
 - The only obstacle to this program is a shortage of funds to meet the needs of all the people seeking assistance.

Priority – Public Facilities & Improvements

- **Neighborhood Facilities**
- **Seniors Centers**
 - Canyon Lake Senior Citizens Center
 - Funding will be used for safety upgrades to the fire suppression system of fire alarms and sprinklers to enhance the safety and well being of members and facility users.
- **Neighborhood Parks and Recreational Facilities**
 - Knollwood Heights Elementary PTA
 - Funds will be used to remove the existing substandard playground and install a new, safe playground for the children of this North Rapid neighborhood.
- **Institutes of Higher Education**
 - Oglala Lakota College
 - Funds will be used to add four more classrooms, 3 offices, and expand the student lounge and parking.
- **Improvement of Public Facilities**
- **Youth Services**
- **Handicap Accessibility**
 - Wellspring
 - Funds will be used to install a fire sprinkler system and a wheel chair lift to comply with National Fire Safety Codes and the Americans with Disabilities Act.
 - Youth and Family Service
 - Funds will be used to install a new boiler and door locks for safety.

Priority — Program Administration and Planning

- City of Rapid City CDBG Program Oversight and Management

- *Identify specific long-term and short-term community development objectives (including economic development activities that create jobs), developed in accordance with the statutory goals described in section 24 CFR 91.1 and the primary objective of the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.*

*Note: Each specific objective developed to address a priority need, must be identified by number and contain proposed accomplishments, the time period (i.e., one, two, three, or more years), and annual program year numeric goals the jurisdiction hopes to achieve in quantitative terms, or in other measurable terms as identified and defined by the jurisdiction.

- **See *Appendix IV* for Project Description sheets for FY 2007 CDBG funded projects.**
- **See *Appendix V* for the Needs Worksheet**
- **See *Appendix VI* for the Specific Objectives**
- **See *Appendix VII* for Certifications**

Antipoverty Strategy

1. Describe the actions that will take place during the next year to reduce the number of poverty level families.

The primary issue for poverty level families is the lack of adequate income to cover even the most basic costs of living.

The City of Rapid City is working with the Economic Development Partnership and the Vision 2012 Committee to attract new businesses and industries to Rapid City that will provide more, higher paying jobs. In addition, non-profit organizations are pursuing cottage industries that will provide clients with the opportunity for job training into new fields of work, as well as provide additional income to cover agency operations costs and additional services.

The Temporary Assistance to Needy Families (TANF) program 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. The One Stop Job Services and One Stop Career Learning Center have been extremely successful in working with 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 levels.

Social Services encourage clients who have not finished high school to pursue their General Education Diplomas facilitate referrals to the program.

Financial Literacy classes are provided by Consumer Credit Counseling Services of the Black Hills that instruct students on how to evaluate their financial situation and realistic options for increasing their incomes and reducing their debts.

The City has no control or ability to change many of the situations that keep people from breaking out of the poverty cycle, such as poor personal choices and unwillingness to change personal circumstances or seek an education or job training program.

NON-HOMELESS SPECIAL NEEDS HOUSING

Non-homeless Special Needs (91.220 (c) and (e))

*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve for the period covered by the Action Plan.

The City has allocated funds to Western Resources for dis-abled Independence (WRDI) to perform accessibility modifications to rental units in town. Many tenants are unable to secure affordable housing that is handicap accessible,

and funding sources for rehabilitation on non-owner occupied housing is difficult to access. WRDI has a waiting list that is over a year long for access ramps and bathroom modifications for rental properties. A lack of funding is a major obstacle to meeting this need. The Housing Task Force identified this need as a high priority in 2006 and the City Council adopted it as part of an amendment to the Consolidated Plan. The City will continue to seek additional funding sources for accessibility projects.

2. Describe how Federal, State, and local public and private sector resources, that are reasonably expected to be available, will be used to address identified needs for the period covered by this Action Plan.

As described in Part II of the Consolidated Plan, there are a variety of Agencies and facilities in Rapid City that provide services that assist populations with special needs. The services provide a direct benefit to populations with special needs in Rapid City.

For FY 2007, Rapid City has provided funds to address the special needs of persons who are not homeless as follows: Handicap accessibility for rental units.

Housing Opportunities for People with AIDS

*Please also refer to the HOPWA Table in the Needs.xls workbook.

The City of Rapid City does not receive HOPWA funds and does not have any programs projected for FY 2007. No activities are planned for this category for FY 2007.

A representative with Tri-State HELP HOPWA (Housing Opportunities for Persons with Aids) program is now also coordinating services for persons with Aids in the Rapid City area. Four people are currently receiving assistance. Information on how to refer people to the program was shared with the Black Hills Area Homeless Coalition members and other service providers in Rapid City.

Services available for persons with Aids include:

- housing information,
- tenant-based rental assistance,
- short-term rent, mortgage and utility assistance,
- housing case management services,
- supportive services and referral services, and
- emergency housing assistance.

Specific HOPWA Objectives

Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by the Action Plan.

The Tri-State HELP HOPWA Program receives HOPWA funds to service Montana, North Dakota and South Dakota.

Other Narrative

Include any Action Plan information that was not covered by a narrative in any other section.