



# CITY OF BILLINGS

## Five Year Consolidated Plan

FY2015-2019

The City's plan for Community Development Block Grant and  
HOME Investment Partnerships Programs

Community Development Division

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## Introduction

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

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

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

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

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

All activities undertaken by the City utilizing CDBG and HOME funding must primarily benefit low income persons. The strategies described in the Consolidated Plan outline a specific course of action for the community's housing and community development activities. The plan builds on local assets to meet the

needs of the community and sets forth goals, objectives, and performance measures to ensure progress in achieving the strategies described herein.

### **Purpose of the Consolidated Plan**

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

Consolidated plans are developed every five years and must be submitted to HUD not less than 45 days prior to the start of the grantee's program year start date (July 1 for the City). The City's five-year Consolidated Plan for FY2015-2019 identifies activities to be carried out from July 1, 2015 through June 30, 2020 to address priority needs in the community and serves as a guiding document for the use of the City's CDBG Program and HOME funding.

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

The FY2015-2019 Consolidated Plan followed a development process which integrated priorities identified via Housing Needs Assessment and the most current Analysis of Impediments to Fair Housing Choice. The development process also included input from neighborhood groups and public hearings on housing and community development needs, relative to findings from both data studies.

The FY2015-2019 Consolidated Plan was open for public comment extending from March 27, 2015 through April 27, 2015. A public hearing was held on April 27, 2015 during the Billings City Council meeting to accept public comments on the Annual Action Plan, and Community Development Board recommendations for funding allocation. The plan was adopted by the Billings City Council on April 27, 2015.

### **Summary of the objectives and outcomes identified in the Plan**

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

**Key Findings of the Needs Assessment:** The City of Billings has been experiencing a rapid increase in population over the past several years. Historically, the City's population grew at a 1.5% annual rate and over the past four years, the population has grown by two percent each year.

The two largest low income groups in the City are:

- Small family households (two to four members) with incomes from zero to 80% of the Area Median Income (AMI). For reference, the 2014 HOME income limits for a two person household at 80% AMI is \$38,800 and for a four person household the limit is \$48,500. A complete chart is included in this section on page four.
- Households with members aged 75 years and older with incomes from 30% to 80% AMI.

The most severe housing problem the City’s residents experience is paying over 30% of their household income for housing expenses. This is a particularly acute issue for extremely low income households who are either small family or elderly households.

The City’s Consolidated Plan priorities have been distilled into the following strategies and objectives:

- A: Preserve existing affordable housing supply, particularly in older neighborhoods, to support the stability of the current affordable housing stock.
  - A1: Provide direct, affordable financing and assistance to low income homeowners for the completion of needed repairs citywide.
  - A2: Revitalize low income neighborhoods through foreclosure remediation, redevelopment and infill development.
- B: Create affordable housing opportunities to further improve access to and quality of the affordable housing stock.
  - B1: Provide affordable financing and support to promote homeownership opportunities citywide.
  - B2: Provide homebuyer education to all households utilizing acquisition programs.
  - B3: Encourage the citywide development of new affordable single-family, multi-family and special needs housing in the community through private developers and nonprofit organizations.
- C: Expand housing choice options for existing and potential new residents to foster stable, socio-economically diverse neighborhoods citywide.
  - C1: Ensure equal opportunity and housing choice with all programs and activities citywide.
  - C2: Ensure core programs are implemented citywide to promote desegregation and inclusive neighborhoods.
- D: Support housing and community development specific to lower income and special needs households through poverty-impact initiatives.
  - D1: Encourage collaboration to better address needs and to respond to opportunities for special needs populations.

### HUD Objectives and Outcomes

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

#### HUD Objectives

- **Suitable Living Environment:** Activity benefits communities, families, or individuals by addressing issues in their living environment.

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

- **Decent Affordable Housing:** Housing activity that meets individual or community needs. This objective should not be used for activities where housing is an element of a larger effort.
- **Creating Economic Opportunity:** Activity relates to economic development, commercial revitalization, and job creation.

### HUD Outcomes

- **Availability / Accessibility:** Activity makes services, infrastructure, or shelter available and accessible. Note: accessibility does not refer only to physical barriers.
- **Affordability:** Activity provides affordability in a variety of ways including: creation / maintenance of affordable housing; infrastructure hookups; services such as transportation / daycare.
- **Sustainability:** Activity provides livable / viable communities / neighborhoods by providing services or by removing slums / blight.

### Regulatory Citations

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

### 2014 HOME Income Limits

Household Size	30%	50%	60%	80%
1	\$12,750	\$21,250	\$25,500	\$33,950
2	\$14,600	\$24,250	\$29,100	\$38,800
3	\$16,400	\$27,300	\$32,760	\$43,650
4	\$18,200	\$30,300	\$36,360	\$48,500
5	\$19,700	\$32,750	\$39,300	\$52,400
6	\$21,150	\$35,150	\$42,180	\$56,300
7	\$22,600	\$37,600	\$45,120	\$60,150
8	\$24,050	\$40,000	\$48,000	\$64,050

The following chart illustrates the relationship between identified strategies, objectives, planned programs / activities, outcomes and funding sources.

### FIVE-YEAR CONSOLIDATED PLAN GOALS

Strategy	Objective	Activity	Outcome Type	Five-Year Goal	HUD Objective	HUD Outcome	Funding Source*
A: Preserve existing affordable housing supply, particularly in older neighborhoods, to support the stability of the current affordable housing stock.	A1: Provide direct, affordable financing and assistance to low income homeowners for the completion of needed repairs citywide.	Housing Rehabilitation	Housing Units	50	Suitable Living Environment	Affordability	CDBG
		Manufactured Home Repair		25			
	A2: Revitalize low income neighborhoods through foreclosure remediation, redevelopment and infill development.	Foreclosure Acquisition / Rehabilitation		5			CDBG NSP
		Affordable Housing Development		10			
B: Create affordable housing opportunities to further improve access to and quality of the affordable housing stock.	B1: Provide affordable financing and support to promote homeownership opportunities citywide.	First Time Homebuyer	Housing Units	175	Decent Housing	Affordability	CDBG HOME
	B2: Provide homebuyer education to all households utilizing acquisition programs.		Households	175			
	B3: Encourage the citywide development of new affordable single-family, multi-family and special needs housing in the community through private developers and nonprofit organizations.	Affordable Housing Development Program	Housing Units	See Above			
C: Expand housing choice options for existing and potential new residents to foster stable, socio-economically diverse neighborhoods citywide.	C1: Ensure equal opportunity and housing choice with all programs and activities citywide.	All Programs	-	-	Suitable Living Environment	Availability / Accessibility	Admin
		Billings Home Center	Clients	250			
	C2: Ensure core programs are implemented citywide to promote desegregation and inclusive neighborhoods.	All Programs	-	-			
D: Support housing and community development specific to lower income and special needs households through poverty-impact initiatives.	D1: Encourage collaboration to better address needs and to respond to opportunities for special needs populations.	Billings Metro VISTA Project	Clients	1,000	Suitable Living Environment	Affordability	CDBG CNCS
		Billings Home Center	Clients	See Above		Availability / Accessibility	Admin
<small>*Community Development Block Grant (CDBG) Neighborhood Stabilization Program (NSP) HOME Investment Partnerships Program (HOME) CDBG or HOME Administration (Admin) AmeriCorps Volunteers in Service to America (VISTA) Corporation for National and Community Service (CNCS)</small>							

## Evaluation of past performance

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

The City of Billings has been receiving CDBG funds since the 1970s and began receiving HOME funds in the mid-1990s. Performance on past goals and projects has been adequate, given greatly declining federal resources. In 2001, the City received over \$1.4 million in new CDBG and HOME allocations. In FY2015-2016, the City's allocation decreased to \$826,429. This represents a significant 42% decline in entitlement resources (approximately \$600,000).

As a result, City staff have consolidated smaller programs into a few initiatives focusing on affordable housing preservation and new housing opportunities. In 2012, stakeholders recommended prioritizing loan programs to maximize the possibility of program income receipts to continue funding programs in the future. This greatly reduced the number of funding applications submitted by non-profit organizations. In 2001, the City received over 60 funding applications compared to the 18 applications processed in 2012.

Strategies, objectives and activities were determined utilizing a combination of data from housing needs and fair housing studies, in addition to seeking extensive public comment and input on the overall development of this plan.

## Summary of citizen participation process and consultation process

91.200(b)

Summary from citizen participation section of plan.

The City of Billings has adopted a Citizen Participation Plan which is implemented during Consolidated Plan processes in order to ensure active participation by residents and affiliate organizations. The City has also adopted a Language Assistance Plan to ensure meaningful access to program information and equal opportunity for persons with hearing impairment and limited English proficiency. The Citizen Participation and Language Assistance Plans can be found online at [www.ci.billings.mt.us/cdreports](http://www.ci.billings.mt.us/cdreports).

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

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

- Encourage citizen participation in the development of the Consolidated Plan and the Comprehensive Annual Performance and Evaluation Report (CAPER) with emphasis on participation from individuals and households identified as low to moderate income, residents of blighted areas, minorities, those with limited English proficiency, the disabled, female-headed households and those residing in areas where funding will be utilized.
- Provide citizens with reasonable and timely access to meetings, information and records relating to the City's plan for utilizing funding in addition to allowing reasonable opportunity to comment on the Consolidated Plan, the Citizen Participation Plan and the CAPER.
- Finalize consultation with the Housing Authority of Billings on the development and implementation of the Consolidated Plan through the Annual Action Plan, which includes input from residents of public and assisted housing.

- Provide technical assistance to neighborhood task forces which represent the low to moderate income and the highest concentrations of minority populations in Billings.
- Provide public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program. All hearings and meetings shall be provided in areas where accommodations for the disabled can be provided.

**Public Hearings:** The City holds two public hearings each year regarding housing and community development activities. The first public hearing is held by the City Council in April to provide nonprofit agencies, organizations, and individuals with an opportunity to provide input on the Consolidated Plan and the allocation of CDBG and HOME funds in the community. The second public hearing is held by the City Council in September to gather public input on the City's performance and progress in meeting the strategies included in the City's Five-Year Consolidated Plan and Annual Action Plan for the previous fiscal year ending each June 30th. Each public hearing is accessible to disabled individuals, publicized as required by State law and allow for accommodation of individuals with hearing, visual, or mobility impairments.

**Report / Plan Availability:** The availability of the reports and plans required under the Consolidated Plan is published in the local newspaper with complete copies available on the internet at [www.ci.billings.mt.us/CDreports](http://www.ci.billings.mt.us/CDreports) and at the City's Community Development Division. The public notice describes the contents and purpose of each document including the location at which the complete plan can be examined. A summary of the plan development process and public comments received during this process will be included in final version of the Consolidated Plan, Annual Action Plans, and Comprehensive Annual Performance and Evaluation Report submitted to the U.S. Department of Housing and Urban Development.

**Public Comments:** The City must provide opportunities for public comment at least 30 days prior to Consolidated Plan submission, as required by HUD. The City considers all written comments by citizens, public agencies and other interested parties prior to submission of its final Consolidated Plan and related reports to HUD and attach a summary of each comment to the final submission. If written comments are not accepted for inclusion in the Plan, the City will provide written explanation of why those comments were not accepted.

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

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

Prior to the submission of any substantial change in the proposed use of federal housing and community development funds, the City of Billings will hold a public hearing to allow citizens reasonable notice of, and opportunity to comment on, proposed amendments. Public comment periods will not be less than thirty (30) days. *Substantial changes are defined as the creation of any new program or project to be funded under the City's HOME and CDBG programs.* Program and recaptured income will be utilized for existing and previously approved programs as it is received during each fiscal year, which does not require a substantial amendment to the Consolidated Plan.



