



COMMUNITY DEVELOPMENT DIVISION
Memorandum - Consolidated Planning Processes

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This guide is intended to provide an outline of the City of Billings’ Consolidated Planning process for decisions relative to Community Development Block Grants (CDBG), HOME Investment Partnerships program (HOME), and other funding allocated through the U.S. Department of Housing and Urban Development (HUD).

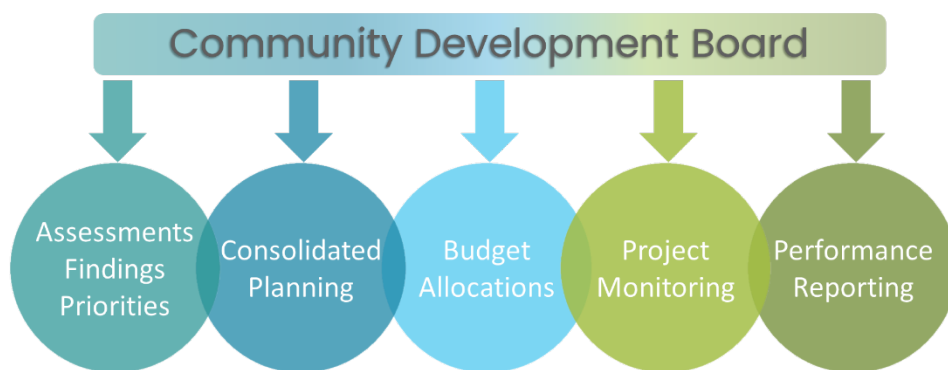
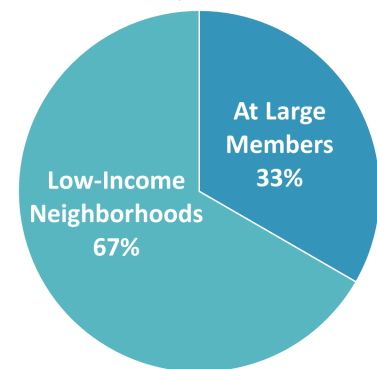
Funding Source and Intent

The City of Billings has been a recipient of HUD entitlement CDBG allocations since the mid-1970s and HOME funds since the early 1990s (*over \$47 million collectively*). Investments in CDBG and HOME has generated nearly \$10 million in loan repayments since 2001. Projects, programs, and activities funded through CDBG and HOME are regulated and monitored by the federal government and must be primarily targeted to address community affordable housing for low-income citizens and poverty-impact needs in Billings.

Guidance & Recommendations Process

The Community Development Board provides staff guidance relative to assessment, planning, allocation, monitoring, and reporting processes for HUD federal funding. The Board is composed of six low-income neighborhood representatives and three at-large members. This composition complies with a federal regulation to ensure decision-making processes include involvement from residents of low-income neighborhoods. The Board is also responsible for making funding recommendations to the City Council for review and approval.

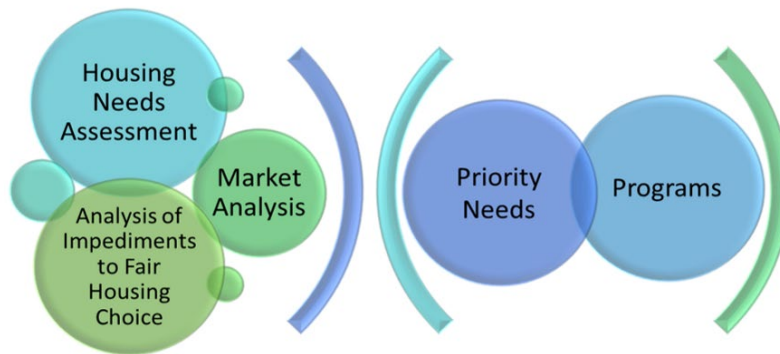
Community Development Board Representatives



Planning Process

The Consolidated Plan is the primary planning document directing the City’s CDBG and HOME investments and it covers a five-year period. The Consolidated Plan includes a comprehensive housing needs assessment and a housing market analysis, (*refer to page 4 for a list of the Consolidated Plan components*). The City must also complete an Analysis of Impediments to Fair Housing Choice every five years (*summary begins on page 6*). Key findings establish priority needs, and City programs are developed based on findings and priorities.

Data Studies ➡ Key Findings ➡ Priority Needs ➡ City Programs



Planning for each five-year Consolidated Planning cycle begins in September with a public hearing to obtain data and public comment on community needs to assist the Community Development Board in designing the application process for the upcoming program year. The Consolidated Plan includes the Annual Action Plan for the first year of the five-year period.



Allocation Process

To allocate CDBG and HOME resources, the Community Development Division staff and Board members facilitate an extensive process to gather public input on the use of federal funds beginning each September. The Board sets priorities for funding based on demonstrated community need.

Applications are made available at the beginning of December and due at the end of January. Applications are then forwarded to the Community Development Board and recommendations are prepared for City Council consideration. The Staff facilitates a 30-day public comment period, the City Council takes action, and the Annual Action Plan is submitted to HUD by May 15.

Allocation Compliance

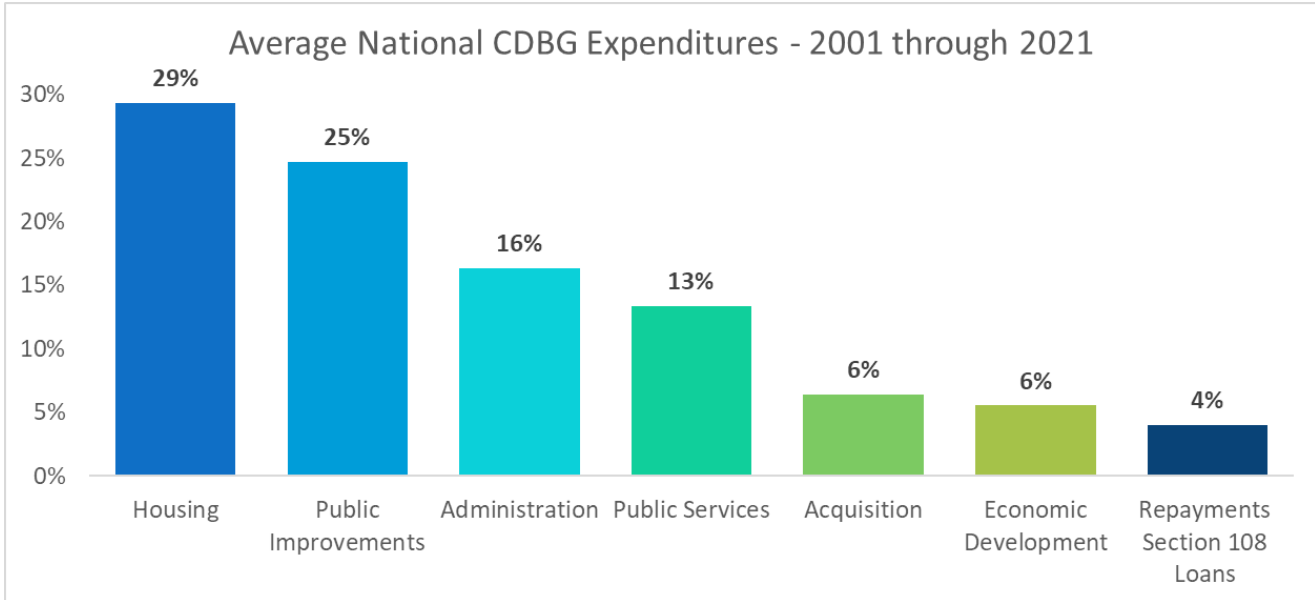
Allocations must be consistent with the goals and priorities of the approved five-year Consolidated Plan for the use of CDBG & HOME resources in Billings. Allocation recommendations must conform to pre-determined spending requirements on several categories including: CDBG and HOME administration caps (*maximum of 20% and 10% of new funding respectively*); public service caps (*up to 15% of new CDBG funding*); and Community Housing Development Organization set-aside for affordable housing development (*minimum 15% of new HOME funding*).

If the City is non-compliant with federal spending requirements, the City's entitlement status for federal funds would be at risk. Non-federal funding repayment is required for noncompliant project, program, and activity expenditures.

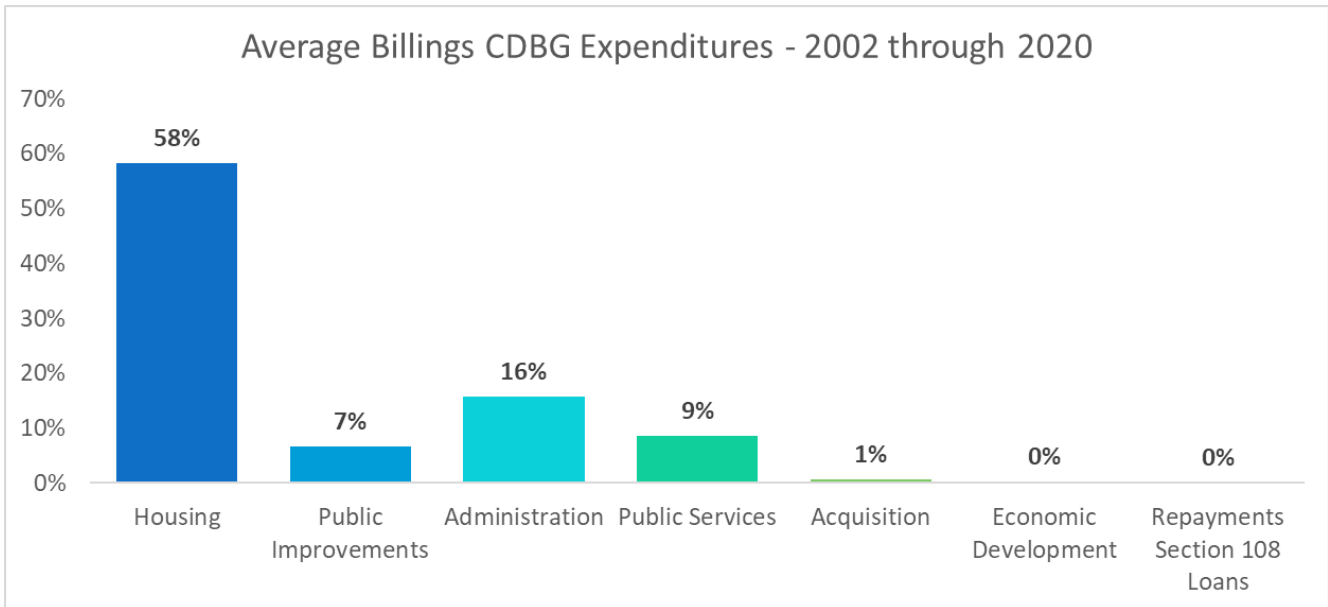


Average Expenditures

Across the nation, housing has been the number one expenditure for all participating jurisdictions (including housing activities funded through public services), followed by public improvements, administration, public services, acquisition, economic development, and repaying Section 108 loans (loans the City can leverage to borrow against future CDBG funding allocations).



In Billings, housing is also the number one expenditure. However, the City has not dedicated similar amounts of CDBG funding to support public improvements. Local administration costs matches the percentage costs for the nation and the City has expended slightly less than the national average on public services, five percent less on acquisition. Economic development training was funded in 2002 and several years thereafter. HUD later notified the City that economic development training would need to be funded within the public services cap in future years. The City has not borrowed against future CDBG entitlement allocations through the Section 108 program.



Consolidated Plan Components

The [Consolidated Plan](#) is an extensive assessment including Housing Needs Assessment, a Housing Market Analysis, Strategic Planning, and the first Annual Action Plan for the Consolidated Plan's five-year period. The City is also required to conduct an Analysis of Impediments to Fair Housing Choice as part of the Consolidated Planning process. Every five years, the City has the opportunity to reassess community needs, identify key priorities, and determine strategies to meet community needs.

Executive Summary

- Introduction
- City of Billings Objectives & Outcomes
- Evaluation of Past Performance
- Citizen Participation & Consultation
- Summary
- Special Needs Facilities and Services
- Barriers to Affordable Housing
- Non-Housing Community Development Assets
- Education
- Needs and Market Analysis Discussion
- Broadband Needs of Housing
- Hazard Mitigation

The Process

- Responsible Agencies
- Introduction
- Public Housing & Assisted Housing Providers
- Participation & Consultation
- Citizen Participation Process & Outreach

Housing Needs Assessment

- Demographics
- Number of Households by Income Level
- Housing Problems
- Disproportionate Need - Housing Problems by Income Level, Race, & Ethnicity
- Disproportionate Need - Severe Housing Problems by Income Level, Race, & Ethnicity
- Disproportionate Need - Housing Cost Burdens
- Disproportionate Need - Discussion
- Public Housing
- Homeless Needs Assessment
- Non-Homeless Special Needs Assessment
- Non-Housing Community Development Needs

Housing Market Analysis

- Overview
- Number of Housing Units
- Cost of Housing
- Condition of Housing
- Public and Assisted Housing
- Homeless Facilities and Services

Strategic Plan

- Overview
- Geographic Priorities
- Priority Needs
- Influence of Market Conditions by Affordable Housing Type
- Anticipated Resources, Leveraging, Land
- Institutional Delivery Structure
- Goals Summary, Categories & Needs Addressed, Outcomes, Objectives, Goal Outcome Indicators, Five-Year Goals
- Public Housing Accessibility and Involvement
- Barriers to affordable housing
- Homelessness Strategy
- Lead based paint Hazards
- Anti-Poverty Strategy
- Monitoring

Annual Action Plan

- Expected Resources
- Annual Goals and Objectives
- Projects
- Geographic Distribution
- Affordable Housing
- Public Housing
- Homeless and Other Special Needs Activities
- Barriers to affordable housing
- Other Actions

Analysis of Impediments to Fair Housing Choice

As recipients of HUD funding, entitlement communities are required to: conduct an analysis to identify impediments to fair housing choice (AI); and take and maintain records of appropriate actions to overcome the effects of identified impediments. HUD allocates funding to the State and entitlement communities through the CDBG and HOME programs.

According to HUD's Fair Housing Planning Guide, impediments to fair housing choice are defined as any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin that restrict housing choices or the availability of housing choice, or other protected characteristics and any actions, omissions, or decisions that have this effect. The list of protected classes included in this definition is drawn from the federal Fair Housing Act, which was first enacted in 1968. State and local governments may enact fair housing laws that extend protection to other groups, and the AI is to address housing choice for these additional protected classes as well. Montana state code has extended additional fair housing protections based on creed, marital status, and age. The Cities of Bozeman, Butte, Helena, and Missoula have adopted ordinances prohibiting housing discrimination based on sexual orientation and gender identity or expression.

The AI process involves a thorough examination of a variety of data related to housing in Billings, much of the data highlighted are based on HUD recommendations. This data is collected, analyzed and assessed to determine barriers to affordable housing. Identified impediments are then used to establish quantifiable goals and the reduction of the barriers to fair housing choice. The AI is also subject to a 30-day public comment review process before submission to HUD.

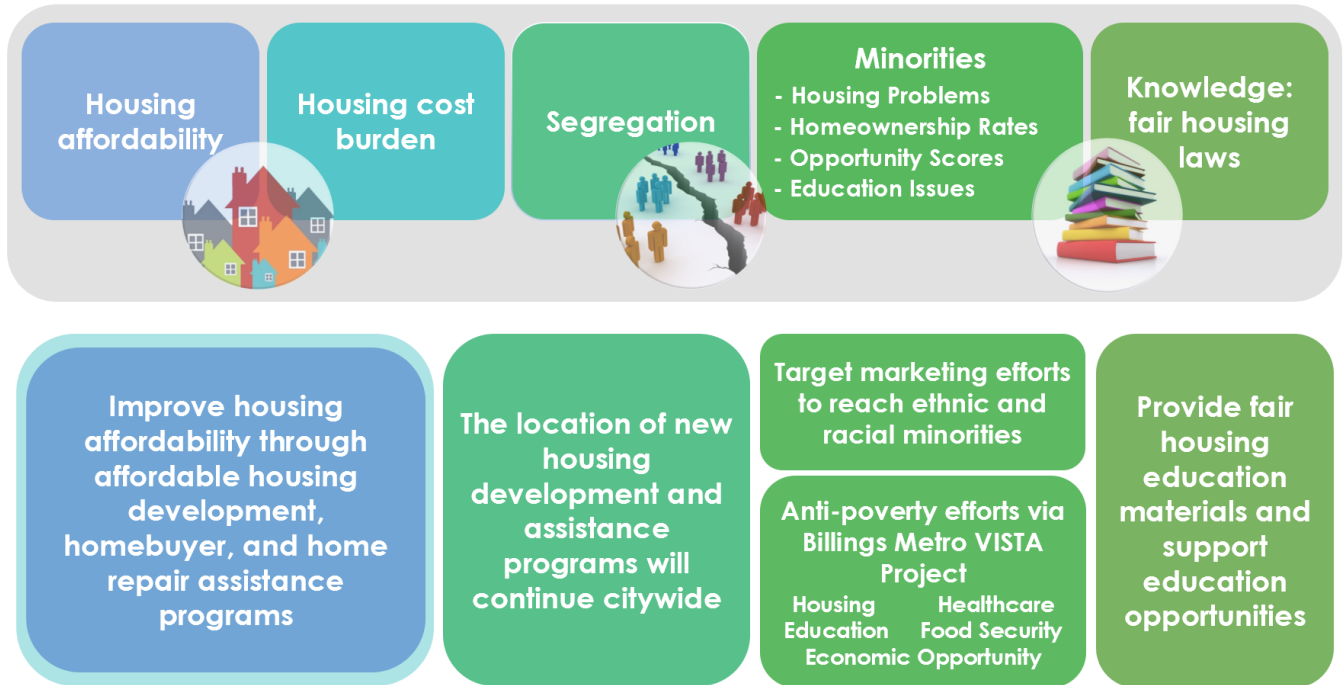
The City of Billings [Analysis of Impediments to Fair Housing Choice](#) was completed in 2020 in preparation for the [FY2020-2024 Consolidated Plan](#). A summary of impediments is illustrated below.

Impediments

Factors limiting fair housing choice



Impediments & Strategies



Impediments & Strategies

- **Housing affordability limits rental and owner housing choice and opportunity.**
- **Housing cost burden is the most significant issue for both rental and ownership households.**
 - City staff will continue efforts to improve housing affordability for homeowners and renters through affordable housing development, homebuyer, and home repair assistance programs.
- **Billings is in the beginning stages of segregation.**
 - The location of new housing development and assistance programs will continue on a citywide basis.
- **Low-Income racial and ethnic minorities are disproportionately and negatively impacted by: housing problems; homeownership rates; opportunity scores; and access to education.**
 - The City will continue to target marketing efforts to reach ethnic and racial minorities to improve access to housing opportunity.
 - The City will also continue to support the Billings Metro VISTA Project as an anti-poverty strategy to expand access to: housing; healthcare; education; food security; and economic opportunity.
- **Citizens are unfamiliar with fair housing laws.**
 - City staff will continue efforts to provide fair housing education materials on the City's website, in the office, at the Home Center, and will support fair housing educational opportunities with Montana Fair Housing.