

Section I: Executive Summary

Introduction

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 receive funding through the Community Development Block Grant (CDBG) and HOME Investment Partnerships programs (HOME). 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 and HOME funding.

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

Separate Consolidated Plans are prepared by the City of Great Falls, and the City of Missoula; also entitlement communities. The State of Montana also prepares a Consolidated Plan for non-entitlement areas of the state. 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. However, the City of Billings does not receive McKinney funds or HOPWA funds directly.

The structure and content of this document are based on specific HUD requirements for the preparation of the Consolidated Plan. Many terms utilized 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 and clarification.

Focused on CDBG and HOME activities, the Consolidated and Annual Action Plans combine 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 low income households without discrimination; increasing support of housing which enables persons with special needs to live independently; and assisting homeless persons to 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 low income individuals; providing access to credit for community development activities which promote long-term economic and social viability; and empowering low income persons living in public and federally assisted 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

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 City's year start date; July 1. 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 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 City must also report on the performance of activities funded via the Comprehensive Annual Performance Evaluation Report (CAPER) in September of each year. All of the City's documents can be found online at www.ci.billings.mt.us/CDreports.

The FY2015-2019 Consolidated Plan was developed following a process which integrated priorities identified via Needs Assessment, Market Analysis and the most current Analysis of Impediments to Fair Housing Choice. The development process also included input from neighborhood groups and a public hearing on housing and community development needs, relative to findings from all three research sources.

The FY2015-2019 Consolidated Plan was open for public comment extending from March 27, 2015 to 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

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 seven.
- Households with members aged at least 75 years 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. Millennials and the elderly account for at least 40% of the City's population and these groups are also the fastest growing populations in Billings.

The need for the development of smaller rentals has reached critical levels; over 1,200 households are waiting for one-bedroom housing units, as per the Housing Authority of Billings. Low vacancy rates and the higher costs of housing have created a tight rental market, particularly for those seeking housing with the assistance of a voucher. Over half of voucher holders in Billings have not been able to secure housing, either due to high rent costs or poor unit conditions.

The City's Analysis of Impediments to Fair Housing Choice identified the beginnings of segregated neighborhoods and lending discrimination for Hispanic Americans in Billings. There appears to be a dual housing market; one for Whites and Asians and one for American Indians, Hispanics and African Americans. Differences between actual and expected racial / ethnic census tract composition are likely due to housing discrimination. The probability of a dual, discriminative market exacerbates access to local housing, particularly for minorities and special populations. The percentage of Whites who own homes is also significantly higher than that of minorities. Most minority households are renters.

The needs of special populations and those experiencing poverty continue to be a concern, including great needs relative to food security, healthcare, and the capacity of nonprofit organizations to provide resources to meet the needs of special populations. Homelessness is also on the rise; from 600 average people participating in an annual count survey (from 2005 to 2008) to 711 respondents on average from 2006 to 2014. The number of families experiencing homelessness has also increased; from an average of 80 families to 193.

As a result of findings discovered in the Needs Assessment and Market Analysis herein, priority needs for the Billings community are as follows:

- Affordable Housing Preservation
- New Affordable Housing Opportunity
- Housing Choice
- Poverty Impact

Strategies and Objectives: Therefore, the City's Consolidated Plan priorities have been distilled into the following strategies and objectives to meet priority needs:

- 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, 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 PERFORMANCE MEASUREMENTS	
Objectives	Outcomes
Suitable Living Environment	Availability or Accessibility
Decent Housing	Affordability
Economic Opportunities	Sustainability

HUD Objectives

- **Suitable Living Environment:** Activity benefits communities, families, or individuals by addressing issues in their living environment.
- **Decent 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.
- **Economic Opportunities:** Activity relates to economic development, commercial revitalization, and job creation.

HUD Outcomes

- **Availability / Accessibility:** Activity makes services, infrastructure, or shelter available and accessible. Please 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 has 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 federal 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 chart on the following page illustrates the relationship between identified strategies, objectives, planned programs / activities, outcomes and funding sources.

FIVE-YEAR CONSOLIDATED PLAN GOALS - Updated

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	25	Suitable Living Environment	Affordability	CDBG
		Manufactured Home Repair		1			
	A2: Revitalize low income neighborhoods through foreclosure remediation, redevelopment and infill development.	Foreclosure Acquisition / Rehabilitation		5			CDBG NSP
		Affordable Housing Development		4			
B: Create affordable housing opportunities to further improve access to and the quality of 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	2,000	Suitable Living Environment	Affordability	CDBG CNCS
		Billings Home Center	Clients	See Above		Availability / Accessibility	Admin
<p><i>*Community Development Block Grant (CDBG) Neighborhood Stabilization Program (NSP) HOME Investment Partnerships Program (HOME)</i> <i>CDBG or HOME Administration (Admin) AmeriCorps Volunteers in Service to America (VISTA) Corporation for National and Community Service (CNCS)</i> <i>Not included in IDIS version as no funds dedicated to activity</i></p>							

Evaluation of past performance

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 focused on meeting priority needs, including affordable housing preservation and the provision of new housing opportunities. In 2012, stakeholders recommended prioritizing loan programs to maximize sustainability of community development programs in order to continue funding programs in the future. Historically low funding levels have greatly reduced the number of funding opportunities available to local nonprofit organizations.

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.

A number of organizations in the community are involved in affordable housing and community development-related activities in Billings and are asked to comment on the Consolidated Plan. The continued cooperation of these organizations in pursuing affordable housing for the community is required to meet the Consolidated Plan goals. Consultations include review of the plan with public and private agencies that provide health care, social services and fair housing education. Populations targeted for consultation include agencies that provide services for children, the elderly, the disabled, minorities, persons with HIV / AIDS and their families, and homeless individuals and families.

The Consolidated Plan is distributed widely during the public comment period and interested persons can attend a number of staff-facilitated, regularly scheduled meetings to find out more about Community Development initiatives. Routine meetings are facilitated through staff for the Community Development Board, Neighborhood Task Forces representing low income and high minority concentration areas, the Adjacent Neighborhood Committee, the Billings Partners for American Indian Home Ownership, the Affordable Housing Task Force, and the Mayor's Committee on Homelessness. Additional information regarding these groups can be found throughout the Consolidated 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. Both plans can be found online at 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 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 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 low income households and these areas contain 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 process. 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 on June 30. 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 and at the City's Community Development Division. The public notice describes the contents and purpose of each document including the location at which documents 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 Reports submitted to HUD.

Public Comments: The City must provide opportunities for public comment at least 30 days prior to Consolidated Plan submission, as required by HUD. City staff 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 City staff recommends:

- Not carrying 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 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.*

Routine revenues including program income, recaptured / repaid funds, and re-programmed monies 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. Routine revenues are allocated on a close- and shovel-ready basis to ensure timely commitment and expenditure.

Summary of public comments

Brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

Public Comment & Hearing: The FY2015-2019 Consolidated Plan was open for public comment extending from March 27, 2015 to April 27, 2015. A public hearing was held on April 27, 2015 during the Billings City Council meeting to accept public comments on the Consolidated and Annual Action Plans, and Community Development Board recommendations for funding allocation. These plans were adopted by the Billings City Council on April 27, 2015. Public comments are included in the Appendix.

Neighborhood Task Force Meetings: City staff attended Neighborhood Task Force meetings in March and April in order to review Consolidated Plan goals, gather rankings on proposed projects and gather feedback on community needs. A total of nine Neighborhood Task Forces were contacted to schedule meetings and four total meetings were attended by staff. One additional Task Force requested staff email program ranking information so they could respond remotely. Neighborhood Task Force rankings are included in the Appendix.

Growth Policy Meetings: City staff organized and attended 35 meetings to gather input on community needs as part of the Growth Policy update. Over 1,200 comments were received during this process in response to questions relative to needs and recommendations as the City's population increases.

Affordable housing was identified as one of five top needs as the City's population grows and ***infill development*** was the primary recommendation for where development should occur. This is illustrated on the following graphics, created by Candi Millar, Planning and Community Services Director. Larger words in the graphics indicate a higher number of responses for a particular question.

Summary of comments or views not accepted and the reasons for not accepting them

All comments were taken into consideration during the development of the Consolidated Plan.

Summary

Comments received supported the adoption and implementation of the Consolidated Plan.