

Memorandum

REPORT TO: City Commission

FROM: Brit Fontenot, Economic Development Director

SUBJECT: Submission to the Department of Housing and Urban Development (HUD), of the Consolidated Annual Performance and Evaluation Report (CAPER) for the HUD Community Development Block Grant (CDBG) Program Year 1, July 7, 2024 - September 30, 2025.

MEETING DATE: December 16, 2025

AGENDA ITEM TYPE: Plan/Report/Study

RECOMMENDATION: Approve submission to the Department of Housing and Urban Development (HUD), of the Consolidated Annual Performance and Evaluation Report (CAPER) for the HUD Community Development Block Grant (CDBG) Program Year 1, July 7, 2024 - September 30, 2025.

STRATEGIC PLAN: 4.5 Housing and Transportation Choices: Vigorously encourage, through a wide variety of actions, the development of sustainable and lasting housing options for underserved individuals and families and improve mobility options that accommodate all travel modes.

BACKGROUND:

The CAPER fulfills the City's federal reporting requirements and provides a transparent summary of progress made toward the goals outlined in the Consolidated Plan. Although Program Year 1 represented a limited period of activity for the City's CDBG program, the report demonstrates the foundational work accomplished to prepare for expanded implementation in Program Year 2.

Program Year 1 was marked by several administrative challenges that affected CDBG deployment, including the late execution of the grant agreement in December 2024 and key staff resignations in early 2025. These factors limited the City's ability to initiate projects and resulted in minimal expenditures, limited to \$1,769.95 for planning and administration. Nonetheless, the City made meaningful progress toward Consolidated Plan priorities through non-CDBG initiatives and collaborations. Notably, the opening of Homeward Point, the community's first purpose-built homeless shelter, significantly advanced local goals related to emergency and transitional housing capacity, despite occurring outside the CDBG funding stream.

Throughout the program year, City staff worked closely with regional partners, including the Human Resource Development Council (HRDC), the Regional Housing Coalition, and the Unhoused to Housed Initiative, to assess service gaps, coordinate strategies, and establish the groundwork needed for effective CDBG project deployment in Program Year 2. These efforts supported progress on key community priorities such as homelessness response, supportive housing, and access to essential social services. While measurable CDBG-funded outcomes will be reflected more fully in next year's report, Year 1 activities strengthened the institutional structure and interagency partnerships that are required for successful long-term program delivery. Program goals and remaining funds from Program Year 1 of CDBG implementation will roll over into Program Year 2.

Submission of the CAPER will enable the City to remain compliant with HUD requirements and to advance into the next program year with a strengthened operational foundation. The Year 1 Action Plan was made available for a 15-day public comment from Saturday, November 15, 2025, to Monday, December 1, 2025. The public comment period was noticed twice in the newspaper of local record on November 15 and November 22, 2025. We did not receive any public comments by the close of the public comment period. Staff recommends approval of the CAPER as presented and authorization to submit the report to HUD. This submission ensures continued eligibility for federal funds and supports the City's ongoing efforts to address housing instability, homelessness, and community development needs across Bozeman.

UNRESOLVED ISSUES: None at this time.

ALTERNATIVES: As directed by the City Commission.

FISCAL EFFECTS: None at this time.

Attachments:

[CDBG CAPR Public Notice - Public Comment 11-15 to 12-1 2025 FINAL.pdf](#)

[CAPER Draft FINAL 11-14-25.pdf](#)

Report compiled on: December 2, 2025