



County Commission

## GALLATIN COUNTY

311 West Main, Rm. 306 • Bozeman, MT 59715  
commission@gallatin.mt.gov

Zach Brown  
Scott MacFarlane  
Jennifer Boyer

Phone (406) 582-3000

October 24, 2023

U.S. Department of Housing and Urban Development  
C/O Jessie H. Kom  
CDBG-PROHousing@hud.gov  
Community Planning and Development  
451 7th Street SW, Room 7282  
Washington, DC 20410

RE: Pathways to Removing Obstacles to Housing (PRO Housing) Applications

Dear HUD staff:

In partnership with United Housing Partners LLC (UHP) and the Human Resource Development Council (HRDC), Gallatin County is pleased to submit an application for Hidden Creek Community to the PRO Housing Grant. The County has competitively selected UHP as a strong partner in this work, and they have put in countless hours along the way to get it to the phase it is currently in. To get this fantastic project on the ground and demonstrate to other Montana local governments a path to creating affordable housing with existing public land, we need an additional \$1.5 million in funding from the HUD PRO Housing grant.

The project being submitted is as follows:

Hidden Creek Homes and TBD County Housing and Daycare

City:	Bozeman
County:	Gallatin
Developer:	UHP, LLC
Development Partner:	HRDC
General Partner Owner:	To Be Formed Single-Purpose Entity co-owned by UHP and HRDC
Management Company:	HRDC
Project Type:	Family Housing & Daycare, Senior Housing

**Project Description:**

UHP, in partnership with HRDC, plans to construct Hidden Creek Homes, a rent-restricted, affordable apartment complex, daycare facility, and 10+ single-family homes on 5 vacant acres at 1221 Durston Road owned by Gallatin County. The parcel is located in a walkable neighborhood near schools, downtown, and shopping.

The project would consist of 60-90 LIHTC apartments in Hidden Creek Apartments that would be developed and owned by UHP. Gallatin County would be the owner and operator of the daycare, filling a dire gap in the availability of childcare in our community. The project would also include less restricted townhouses (up to 120% AMI) as part of a Community Land Trust owned and operated by HRDC, which will control long term affordability through a deed restriction that limits the appreciation of the homes to 2% per year. The County intends to contribute the land and up to \$2 million in American Rescue Plan funds, as well as provide a pre-development loan to help ensure the success of the project.

Hidden Creek Homes would be financed with tax exempt bonds, both 9% and 4% Low Income Housing Tax Credits (LIHTCs), National Housing Trust Funds (NHTFs), MT HB 819 funds, and meet the requirements found in the Montana Board of Housings Qualified Application Plan (QAP) and MCA 7-8-2522 regarding the donation of public land which requires *permanent* affordability restrictions.

The figure below is intended to give the selection committee an idea of the wage earnings for qualified individuals for the LIHTC portion of the project:

Household Size	1	2	3	4	5	6
30% Limits	\$22,110	\$25,260	\$28,410	\$31,560	\$34,110	\$36,630
70% Limits	\$51,590	\$58,940	\$66,290	\$73,640	\$79,590	\$85,470

Originally, our team had hoped to build 175 affordable apartments on this property in one phase. Due to unfavorable market conditions that is unfeasible, and the current approach is proposed. The County has conducted extensive pre-development work on this site which includes staff meetings, staff housing and daycare need surveys, goal setting, neighborhood meetings, and conceptual site designs. UHP has tailored the project proposal based on this pre-development process and will transparently present the County with financial models so it can determine the financial feasibility of its goals for Hidden Creek Homes. Most importantly, this project demonstrates clear alignment with the priorities and goals of the County, the surrounding neighborhood, and the City of Bozeman.

Thank you for your consideration of our application.

GALLATIN COUNTY COMMISSION

---

Zach Brown, Chair

---

Scott MacFarlane, Member

---

Jennifer Boyer, Member



## GALLATIN COUNTY

311 West Main, Rm. 306 • Bozeman, MT 59715  
commission@gallatin.mt.gov

County Commission

Zach Brown  
Scott MacFarlane  
Jennifer Boyer

Phone (406) 582-3000

October 23, 2023

U.S. Department of Housing and Urban Development  
C/O Jessie H. Kom  
CDBG-PROHousing@hud.gov  
Community Planning and Development  
451 7th Street SW, Room 7282  
Washington, DC 20410

RE: Pathways to Removing Obstacles to Housing (PRO Housing)

Dear HUD staff:

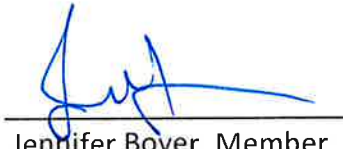
Since 2021, Gallatin County has been exploring the feasibility of housing and childcare on a vacant 5.26-acre infill piece of county-owned land behind the existing skilled nursing facility in the heart of Bozeman, Montana. The initial analysis included staff surveys, visioning, goal setting, conceptual designs, an informal application, and extensive public engagement. A failed Request for Proposals process revealed the financial infeasibility of meeting all the initial goals; therefore, Gallatin County issued a Request for Qualifications and selected United Housing Partners (UHP) and Human Resource Development Council (HRDC) to build upon past work and explore new development scenarios and financial models to successfully develop affordable housing and a daycare on the subject site. It is the intent of the County Commission to **donate** the property to UHP and HRDC for permanently affordable housing in compliance with Montana law. Furthermore, the County has earmarked \$2 million of its American Rescue Plan Act funds for construction of the project and is also willing to provide a predevelopment loan to UHP to support this important community project. Gallatin County is also committed to engaging other partners and seeking other funding sources to ensure this neighborhood will be built. Please accept this application and letter of commitment as strong leverage for and support of the need for additional funding for this project.

Best Regards,

GALLATIN COUNTY COMMISSION

  
Zach Brown, Chair

  
Scott MacFarlane, Member

  
Jennifer Boyer, Member

This Workspace form is one of the forms you need to complete prior to submitting your Application Package. This form can be completed in its entirety offline using Adobe Reader. You can save your form by clicking the "Save" button and see any errors by clicking the "Check For Errors" button. In-progress and completed forms can be uploaded at any time to Grants.gov using the Workspace feature.

When you open a form, required fields are highlighted in yellow with a red border. Optional fields and completed fields are displayed in white. If you enter invalid or incomplete information in a field, you will receive an error message. Additional instructions and FAQs about the Application Package can be found in the Grants.gov Applicants tab.

**OPPORTUNITY & PACKAGE DETAILS:**

Opportunity Number:	FR-6700-N-98
Opportunity Title:	Pathways to Removing Obstacles to Housing (PRO Housing)
Opportunity Package ID:	PKG00283091
CFDA Number:	14.023
CFDA Description:	Community Development Block Grant- PRO Housing Competition
Competition ID:	FR-6700-N-98
Competition Title:	Pathways to Removing Obstacles to Housing (PRO Housing)
Opening Date:	09/07/2023
Closing Date:	11/06/2023
Agency:	Department of Housing and Urban Development
Contact Information:	CDBG-PROHousing@hud.gov

**APPLICANT & WORKSPACE DETAILS:**

Workspace ID:	WS01198153
Application Filing Name:	Gallatin County, MT
UEI:	XKDAAGK6AKM8
Organization:	COUNTY OF GALLATIN
Form Name:	Application for Federal Assistance (SF-424)
Form Version:	4.0
Requirement:	Mandatory
Download Date/Time:	Oct 25, 2023 01:01:26 PM EDT
Form State:	No Errors

**FORM ACTIONS:**

Application for Federal Assistance SF-424		
* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	* If Revision, select appropriate letter(s): _____ * Other (Specify): _____
* 3. Date Received: Completed by Grants.gov upon submission.	4. Applicant Identifier: Hidden Creek Community	
5a. Federal Entity Identifier: _____	5b. Federal Award Identifier: _____	
<b>State Use Only:</b>		
6. Date Received by State: _____	7. State Application Identifier: _____	
<b>8. APPLICANT INFORMATION:</b>		
* a. Legal Name: Gallatin County		
* b. Employer/Taxpayer Identification Number (EIN/TIN): 81-6001363	* c. UEI: XKDAAGK6AKM8	
<b>d. Address:</b>		
* Street1: 311 West Main Street, Rm 306	Street2: _____	
* City: Bozeman	County/Parish: Gallatin	
* State: MT: Montana	Province: _____	
* Country: USA: UNITED STATES	* Zip / Postal Code: 59715-0000	
<b>e. Organizational Unit:</b>		
Department Name: County Commission	Division Name: Grants/Administration	
<b>f. Name and contact information of person to be contacted on matters involving this application:</b>		
Prefix: _____	* First Name: Jamie	
Middle Name: _____	* Last Name: Grabinski	
Suffix: _____	Title: Grant Accountant	
Organizational Affiliation: Employee		
* Telephone Number: 406-582-3192	Fax Number: _____	
* Email: jamie.grabinski@gallatin.mt.gov		

**Application for Federal Assistance SF-424**

**\* 9. Type of Applicant 1: Select Applicant Type:**

B: County Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\* Other (specify):

**\* 10. Name of Federal Agency:**

Department of Housing and Urban Development

**11. Catalog of Federal Domestic Assistance Number:**

14.023

CFDA Title:

Community Development Block Grant- PRO Housing Competition

**\* 12. Funding Opportunity Number:**

FR-6700-N-98

\* Title:

Pathways to Removing Obstacles to Housing (PRO Housing)

**13. Competition Identification Number:**

FR-6700-N-98

Title:

Pathways to Removing Obstacles to Housing (PRO Housing)

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

Add Attachment

Delete Attachment

View Attachment

**\* 15. Descriptive Title of Applicant's Project:**

Hidden Creek Community of Gallatin County, MT

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

## Application for Federal Assistance SF-424

### 16. Congressional Districts Of:

\* a. Applicant

\* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment

Delete Attachment

View Attachment

### 17. Proposed Project:

\* a. Start Date:

\* b. End Date:

### 18. Estimated Funding (\$):

* a. Federal	<input type="text" value="1,500,000.00"/>
* b. Applicant	<input type="text" value="4,175,656.00"/>
* c. State	<input type="text" value="2,309,696.00"/>
* d. Local	<input type="text" value="2,000,000.00"/>
* e. Other	<input type="text" value="13,684,263.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="23,669,615.00"/>

### \* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?

- a. This application was made available to the State under the Executive Order 12372 Process for review on
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

### \* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)

Yes  No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

View Attachment

21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

### Authorized Representative:

Prefix:  \* First Name:

Middle Name:

\* Last Name:

Suffix:

\* Title:

\* Telephone Number:  Fax Number:

\* Email:

\* Signature of Authorized Representative:  \* Date Signed:

This Workspace form is one of the forms you need to complete prior to submitting your Application Package. This form can be completed in its entirety offline using Adobe Reader. You can save your form by clicking the "Save" button and see any errors by clicking the "Check For Errors" button. In-progress and completed forms can be uploaded at any time to Grants.gov using the Workspace feature.

When you open a form, required fields are highlighted in yellow with a red border. Optional fields and completed fields are displayed in white. If you enter invalid or incomplete information in a field, you will receive an error message. Additional instructions and FAQs about the Application Package can be found in the Grants.gov Applicants tab.

**OPPORTUNITY & PACKAGE DETAILS:**

Opportunity Number:	FR-6700-N-98
Opportunity Title:	Pathways to Removing Obstacles to Housing (PRO Housing)
Opportunity Package ID:	PKG00283091
CFDA Number:	14.023
CFDA Description:	Community Development Block Grant- PRO Housing Competition
Competition ID:	FR-6700-N-98
Competition Title:	Pathways to Removing Obstacles to Housing (PRO Housing)
Opening Date:	09/07/2023
Closing Date:	10/30/2023
Agency:	Department of Housing and Urban Development
Contact Information:	CDBG-PROHousing@hud.gov

**APPLICANT & WORKSPACE DETAILS:**

Workspace ID:	WS01198153
Application Filing Name:	Gallatin County, MT
UEI:	XKDAAGK6AKM8
Organization:	COUNTY OF GALLATIN
Form Name:	HUD Applicant-Recipient Disclosure Report
Form Version:	4.0
Requirement:	Mandatory
Download Date/Time:	Oct 19, 2023 01:16:53 PM EDT
Form State:	No Errors

**FORM ACTIONS:**



**Applicant/Recipient  
Disclosure/Update Report**

**U.S. Department of Housing  
and Urban Development**

OMB Number: 2501-0017  
Expiration Date: 01/31/2026

**Applicant/Recipient Information**

\* UEI Number:

\* Report Type:

**1. Applicant/Recipient Name, Address, and Phone (include area code):**

\* Applicant Name:   
\* Street1:   
Street2:   
\* City:   
County:   
\* State:   
\* Zip Code:   
\* Country:   
\* Phone:

**2. Employer ID Number (do not include individual social security numbers):**

\* **3. HUD Program Name:**

\* **4. Amount of HUD Assistance Requested/Received:** \$

**5. State the name and location (street address, City and State) of the project or activity:**

\* Project Name:   
\* Street1:   
Street2:   
\* City:   
County:   
\* State:   
\* Zip Code:   
\* Country:

**Part I Threshold Determinations**

\* 1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. For further information see 24 CFR Sec. 4.3.

Yes  No

\* 2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1-Sep. 30)? For further information, see 24 CFR 4.9.

Yes  No

If you answered "No" to either question 1 or 2, **Stop!** You do not need to complete the remainder of this form. However, you must sign the certification at the end of the report.

---

**Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.**

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

---

Department/State/Local Agency Name:

\* Government Agency Name:

Government Agency Address:

\* Street1:

Street2:

\* City:

County:

\* State:

\* Zip Code:

\* Country:

\* Type of Assistance:

\* Amount Requested/Provided: \$

\* Expected Uses of the Funds:

---

Department/State/Local Agency Name:

\* Government Agency Name:

Government Agency Address:

\* Street1:

Street2:

\* City:

County:

\* State:

\* Zip Code:

\* Country:

\* Type of Assistance:

\* Amount Requested/Provided: \$

\* Expected Uses of the Funds:

---

**Note:** Use additional pages if necessary.

Add Attachment

Delete Attachment

View Attachment

**Part III Interested Parties. You must disclose:**

1. All developers, contractors, or consultants involved in the application for assistance or in the planning, development, or implementation of the project or activity.

\* Alphabetical list of all persons with a reportable financial interest in the project or activity (for individuals, give the last name first)

\* Unique Entity ID

\* Type of Participation in Project/Activity

\* Financial Interest in Project/Activity (\$ and %)

	* Unique Entity ID	* Type of Participation in Project/Activity	* Financial Interest in Project/Activity (\$ and %)
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/> <input type="text"/> %
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/> <input type="text"/> %
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/> <input type="text"/> %
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/> <input type="text"/> %
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/> <input type="text"/> %

2. Any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

\* Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)

City of Residence

\* Type of Participation in Project/Activity

\* Financial Interest in Project/Activity (\$ and %)

	City of Residence	* Type of Participation in Project/Activity	* Financial Interest in Project/Activity (\$ and %)
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/> <input type="text"/> %
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/> <input type="text"/> %
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/> <input type="text"/> %
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/> <input type="text"/> %
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/> <input type="text"/> %

**Note:** Use additional pages if necessary.

Add Attachment

Delete Attachment

View Attachment

**Certification**

I/We, the undersigned, certify under penalty of perjury that the information provided above is true, correct, and accurate.

Warning: If you knowingly make a false statement on this form, you may be subject to criminal and/or civil penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

\* Signature:

\* Date: (mm/dd/yyyy)

Completed Upon Submission to Grants.gov

Completed Upon Submission to Grants.gov

## Instructions

### Overview.

#### A. Coverage. You must complete this report if:

- (1) You are applying for assistance from HUD for a specific project or activity **and** you have received, or expect to receive, assistance from HUD in excess of \$200,000 during the fiscal year;
- (2) You are updating a prior report as discussed below; or
- (3) You are submitting an application for assistance to an entity other than HUD, a State or local government if the application is required by statute or regulation to be submitted to HUD for approval or for any other purpose.

#### B. Update reports (filed by "Recipients" of HUD Assistance):

**General.** All recipients of covered assistance must submit update reports to the Department to reflect substantial changes to the initial applicant disclosure reports.

#### Line-by-Line Instructions.

##### Applicant/Recipient Information.

All applicants for HUD competitive assistance, must complete the information required in blocks 1-5 of form HUD-2880:

1. Enter the full name, address, city, State, zip code, and telephone number (including area code) of the applicant/recipient. Where the applicant/recipient is an individual, the last name, first name, and middle initial must be entered.
2. Entry of the applicant/recipient's EIN, as appropriate, is optional. Individuals must not include social security numbers on this form.
3. Applicants enter the HUD program name under which the assistance is being requested.
4. Applicants enter the amount of HUD assistance that is being requested. Recipients enter the amount of HUD assistance that has been provided and to which the update report relates. The amounts are those stated in the application or award documentation. NOTE: In the case of assistance that is provided pursuant to contract over a period of time (such as project-based assistance under section 8 of the United States Housing Act of 1937), the amount of assistance to be reported includes all amounts that are to be provided over the term of the contract, irrespective of when they are to be received.
5. Applicants enter the name and full address of the project or activity for which the HUD assistance is sought. Recipients enter the name and full address of the HUD-assisted project or activity to which the update report relates. The most appropriate government identifying number must be used (e.g., RFP No.; IFB No.; grant announcement No.; or contract, grant, or loan No.) Include prefixes.

##### Part I. Threshold Determinations - Applicants Only

Part I contains information to help the applicant determine whether the remainder of the form must be completed. Recipients filing Update Reports should not complete this Part.

If the answer to **either** questions 1 or 2 is No, the applicant need not complete Parts II and III of the report but must sign the certification at the end of the form.

##### Part II. Other Government Assistance and Expected Sources and Uses of Funds.

**A. Other Government Assistance.** This Part is to be completed by both applicants and recipients for assistance and recipients filing update reports. Applicants and recipients must report any other government assistance involved in the project or activity for which assistance is sought. Applicants and recipients must report any other government assistance involved in the project or activity. Other government assistance is defined in note 4 on the last page. For purposes of this definition, other government assistance is expected to be made available if, based on an assessment of all the circumstances involved, there are reasonable grounds to anticipate that the assistance will be forthcoming.

Both applicant and recipient disclosures must include all other government assistance involved with the HUD assistance, as well as any other government assistance that was made available before the request, but that has continuing vitality at the time of the request. Examples of this latter category include tax credits that provide for a number of years of tax benefits, and grant assistance that continues to benefit the project at the time of the assistance request.

The following information must be provided:

1. Enter the name and address, city, State, and zip code of the government agency making the assistance available.
2. State the type of other government assistance (e.g., loan, grant, loan insurance).
3. Enter the dollar amount of the other government assistance that is, or is expected to be, made available with respect to the project or activities for which the HUD assistance is sought (applicants) or has been provided (recipients).
4. Uses of funds. Each reportable use of funds must clearly identify the purpose to which they are to be put. Reasonable aggregations may be used, such as "total structure" to include a number of structural costs, such as roof, elevators, exterior masonry, etc.

**B. Non-Government Assistance.** Note that the applicant and recipient disclosure report must specify all expected sources and uses of funds - both from HUD and any other source - that have been or are to be, made available for the project or activity. Non-government sources of Form HUD-2880 funds typically include (but are not limited to) foundations and private contributors.

##### Part III. Interested Parties.

This Part is to be completed by both applicants and recipients filing update reports. Applicants must provide information on:

1. All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
2. Any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower). Note: A financial interest means any financial involvement in the project or activity, including (but not limited to) situations in which an individual or entity has an equity interest in the project or activity, shares in any profit on resale or any distribution of surplus cash or other assets of the project or activity, or receives compensation for any goods or services provided in connection with the project or activity. Residency of an individual in housing for which assistance is being sought is not, by itself, considered a covered financial interest.

The information required below must be provided.

1. Enter the full names and addresses. If the person is an entity, the listing must include the full name and address of the entity as well as the CEO. Please list all names alphabetically.
2. Entry of the Unique Entity Identifier (UEI), for non-individuals, or city of residence, for individuals, for each organization and person listed is **optional**.
3. Enter the type of participation in the project or activity for each person listed: i.e., the person's specific role in the project (e.g., contractor, consultant, planner, investor).
4. Enter the financial interest in the project or activity for each person listed. The interest must be expressed both as a dollar amount and as a percentage of the amount of the HUD assistance involved.

**Note** that if any of the source/use information required by this report has been provided elsewhere in this application package, the applicant need not repeat the information, but need only refer to the form and location to incorporate it into this report. (It is likely that some of the information required by this report has been provided on SF 424A, or on various budget forms accompanying the application.) If this report requires information beyond that provided elsewhere in the application package, the applicant must include in this report all the additional

information required. Recipients must submit an update report for any change in previously disclosed sources and uses of funds as provided in Section I.D.5., above.

**Notes:**

1. All citations are to 24 CFR Part 4, which was published in the Federal Register. [April 1, 1996, at 63 Fed. Reg. 14448.]
2. Assistance means any contract, grant, loan, cooperative agreement, or other form of assistance, including the insurance or guarantee of a loan or mortgage, that is provided with respect to a specific project or activity under a program administered by the Department. The term does not include contracts, such as procurements contracts, that are subject to the Fed. Acquisition Regulation (FAR) (48 CFR Chapter 1).
3. See 24 CFR §4.9 for detailed guidance on how the threshold is calculated.

4. "Other government assistance" is defined to include any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance from the Federal government (other than that requested from HUD in the application), a State, or a unit of general local government, or any agency or instrumentality thereof, that is, or is expected to be made, available with respect to the project or activities for which the assistance is sought.

5. For the purpose of this form and 24 CFR Part 4, "person" means an individual (including a consultant, lobbyist, or lawyer); corporation; company; association; authority; firm; partnership; society; State, unit of general local government, or other government entity, or agency thereof (including a public housing agency); Indian tribe; and any other organization or group of people.

This Workspace form is one of the forms you need to complete prior to submitting your Application Package. This form can be completed in its entirety offline using Adobe Reader. You can save your form by clicking the "Save" button and see any errors by clicking the "Check For Errors" button. In-progress and completed forms can be uploaded at any time to Grants.gov using the Workspace feature.

When you open a form, required fields are highlighted in yellow with a red border. Optional fields and completed fields are displayed in white. If you enter invalid or incomplete information in a field, you will receive an error message. Additional instructions and FAQs about the Application Package can be found in the Grants.gov Applicants tab.

**OPPORTUNITY & PACKAGE DETAILS:**

Opportunity Number:	FR-6700-N-98
Opportunity Title:	Pathways to Removing Obstacles to Housing (PRO Housing)
Opportunity Package ID:	PKG00283091
CFDA Number:	14.023
CFDA Description:	Community Development Block Grant- PRO Housing Competition
Competition ID:	FR-6700-N-98
Competition Title:	Pathways to Removing Obstacles to Housing (PRO Housing)
Opening Date:	09/07/2023
Closing Date:	10/30/2023
Agency:	Department of Housing and Urban Development
Contact Information:	CDBG-PROHousing@hud.gov

**APPLICANT & WORKSPACE DETAILS:**

Workspace ID:	WS01198153
Application Filing Name:	Gallatin County, MT
UEI:	XKDAAGK6AKM8
Organization:	COUNTY OF GALLATIN
Form Name:	Applicant and Recipient Assurances and Certifications (HUD-424B)
Form Version:	1.0
Requirement:	Mandatory
Download Date/Time:	Oct 19, 2023 01:23:38 PM EDT
Form State:	No Errors

**FORM ACTIONS:**

**Applicant and Recipient  
Assurances and Certifications**

**U.S. Department of Housing  
and Urban Development**

OMB Number: 2501-0017  
Expiration Date: 01/31/2026

**Instructions for the HUD-424-B Assurances and Certifications**

As part of your application for HUD funding, you, as the official authorized to sign on behalf of your organization or as an individual, must provide the following assurances and certifications, which replace any requirement to submit an SF-424-B or SF-424-D. The Responsible Civil Rights Official has specified this form for use for purposes of general compliance with 24 CFR §§ 1.5, 3.115, 8.50, and 146.25, as applicable. The Responsible Civil Rights Official may require specific civil rights assurances to be furnished consistent with those authorities and will specify the form on which such assurances must be made. A failure to furnish or comply with the civil rights assurances contained in this form may result in the procedures to effect compliance at 24 CFR §§ 1.8, 3.115, 8.57, or 146.39.

By submitting this form, you are stating that all assertions made in this form are true, accurate, and correct.

As the duly representative of the applicant, I certify that the applicant:

\*Authorized Representative Name:

Prefix:  \*First Name:   
Middle Name:   
\*Last Name:   
Suffix:

\*Title:

\*Applicant Organization:

1. Has the legal authority to apply for Federal assistance, has the institutional, managerial and financial capability (including funds to pay the non-Federal share of program costs) to plan, manage and complete the program as described in the application and the governing body has duly authorized the submission of the application, including these assurances and certifications, and authorized me as the official representative of the application to act in connection with the application and to provide any additional information as may be required.

2. Will administer the grant in compliance with Title VI of the Civil Rights Act of 1964 (42 U.S.C 2000(d)) and implementing regulations (24 CFR part 1), which provide that no person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or otherwise be subject to discrimination under any program or activity that receives Federal financial assistance OR if the applicant is a Federally recognized Indian tribe or its tribally designated housing entity, is subject to the Indian Civil Rights Act (25 U.S.C. 1301-1303).

3. Will administer the grant in compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as amended, and implementing regulations at 24 CFR part 8, the American Disabilities Act (42 U.S.C. §§ 12101 et.seq.), and implementing regulations at 28 CFR part 35 or 36, as applicable, and the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) as amended, and implementing regulations at 24 CFR part 146 which together provide that no person in the United States shall, on the grounds of disability or age, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity that receives Federal financial assistance; except if the grant program authorizes or limits participation to designated populations, then the applicant will comply with the nondiscrimination requirements within the designated population.

4. Will comply with the Fair Housing Act (42 U.S.C. 3601-19), as amended, and the implementing regulations at 24 CFR part 100, which prohibit discrimination in housing on the basis of race, color, religion sex (including gender identity and sexual orientation), disability, familial status, or national origin and will affirmatively further fair housing; except an applicant which is an Indian tribe or its instrumentality which

is excluded by statute from coverage does not make this certification; and further except if the grant program authorizes or limits participation to designated populations, then the applicant will comply with the nondiscrimination requirements within the designated population.

5. Will comply with all applicable Federal nondiscrimination requirements, including those listed at 24 CFR §§ 5.105(a) and 5.106 as applicable.

6. Will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601) and implementing regulations at 49 CFR part 24 and, as applicable, Section 104(d) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(d)) and implementing regulations at 24 CFR part 42, subpart A.

7. Will comply with the environmental requirements of the National Environmental Policy Act (42 U.S.C. 4321 et.seq.) and related Federal authorities prior to the commitment or expenditure of funds for property.

8. That no Federal appropriated funds have been paid, or will be paid, by or on behalf of the applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of this Federal grant or its extension, renewal, amendment or modification. If funds other than Federal appropriated funds have or will be paid for influencing or attempting to influence the persons listed above, I shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying. I certify that I shall require all subawards at all tiers (including sub-grants and contracts) to similarly certify and disclose accordingly. Federally recognized Indian Tribes and tribally designated housing entities (TDHEs) established by Federally-recognized Indian tribes as a result of the exercise of the tribe's sovereign power are excluded from coverage by the Byrd Amendment, but State-recognized Indian tribes and TDHs established under State law are not excluded from the statute's coverage.

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct.

**WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§287, 1001, 1010, 1012, 1014; 31 U.S.C. §§3729, 3802).**

\*Signature: Completed Upon Submission to Grants.gov

\*Date: Completed Upon Submission to Grants.gov



This Workspace form is one of the forms you need to complete prior to submitting your Application Package. This form can be completed in its entirety offline using Adobe Reader. You can save your form by clicking the "Save" button and see any errors by clicking the "Check For Errors" button. In-progress and completed forms can be uploaded at any time to Grants.gov using the Workspace feature.

When you open a form, required fields are highlighted in yellow with a red border. Optional fields and completed fields are displayed in white. If you enter invalid or incomplete information in a field, you will receive an error message. Additional instructions and FAQs about the Application Package can be found in the Grants.gov Applicants tab.

**OPPORTUNITY & PACKAGE DETAILS:**

Opportunity Number:	FR-6700-N-98
Opportunity Title:	Pathways to Removing Obstacles to Housing (PRO Housing)
Opportunity Package ID:	PKG00283091
CFDA Number:	14.023
CFDA Description:	Community Development Block Grant- PRO Housing Competition
Competition ID:	FR-6700-N-98
Competition Title:	Pathways to Removing Obstacles to Housing (PRO Housing)
Opening Date:	09/07/2023
Closing Date:	10/30/2023
Agency:	Department of Housing and Urban Development
Contact Information:	CDBG-PROHousing@hud.gov

**APPLICANT & WORKSPACE DETAILS:**

Workspace ID:	WS01198153
Application Filing Name:	Gallatin County, MT
UEI:	XKDAAGK6AKM8
Organization:	COUNTY OF GALLATIN
Form Name:	Disclosure of Lobbying Activities (SF-LLL)
Form Version:	2.0
Requirement:	Mandatory
Download Date/Time:	Oct 19, 2023 01:36:19 PM EDT
Form State:	No Errors

**FORM ACTIONS:**

This Workspace form is one of the forms you need to complete prior to submitting your Application Package. This form can be completed in its entirety offline using Adobe Reader. You can save your form by clicking the "Save" button and see any errors by clicking the "Check For Errors" button. In-progress and completed forms can be uploaded at any time to Grants.gov using the Workspace feature.

When you open a form, required fields are highlighted in yellow with a red border. Optional fields and completed fields are displayed in white. If you enter invalid or incomplete information in a field, you will receive an error message. Additional instructions and FAQs about the Application Package can be found in the Grants.gov Applicants tab.

**OPPORTUNITY & PACKAGE DETAILS:**

Opportunity Number:	FR-6700-N-98
Opportunity Title:	Pathways to Removing Obstacles to Housing (PRO Housing)
Opportunity Package ID:	PKG00283091
CFDA Number:	14.023
CFDA Description:	Community Development Block Grant- PRO Housing Competition
Competition ID:	FR-6700-N-98
Competition Title:	Pathways to Removing Obstacles to Housing (PRO Housing)
Opening Date:	09/07/2023
Closing Date:	11/06/2023
Agency:	Department of Housing and Urban Development
Contact Information:	CDBG-PROHousing@hud.gov

**APPLICANT & WORKSPACE DETAILS:**

Workspace ID:	WS01198153
Application Filing Name:	Gallatin County, MT
UEI:	XKDAAGK6AKM8
Organization:	COUNTY OF GALLATIN
Form Name:	Disclosure of Lobbying Activities (SF-LLL)
Form Version:	2.0
Requirement:	Mandatory
Download Date/Time:	Oct 25, 2023 01:03:41 PM EDT
Form State:	No Errors

**FORM ACTIONS:**

# DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C.1352

OMB Number: 4040-0013  
Expiration Date: 02/28/2025

<b>1. * Type of Federal Action:</b> <input type="checkbox"/> a. contract <input checked="" type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	<b>2. * Status of Federal Action:</b> <input type="checkbox"/> a. bid/offer/application <input checked="" type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	<b>3. * Report Type:</b> <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change
--	--	--

**4. Name and Address of Reporting Entity:**

Prime     SubAwardee

\* Name:

\* Street 1:     Street 2:

\* City:     State:     Zip:

Congressional District, if known:

5. If Reporting Entity in No.4 is Subawardee, Enter Name and Address of Prime:

<b>6. * Federal Department/Agency:</b> <input type="text" value="U.S. Department of Housing and Urban Dev"/>	<b>7. * Federal Program Name/Description:</b> <input type="text" value="Community Development Block Grant- PRO Housing Competition"/> CFDA Number, if applicable: <input type="text" value="14.023"/>
---	---

<b>8. Federal Action Number, if known:</b> <input type="text"/>	<b>9. Award Amount, if known:</b> \$ <input type="text" value="0.00"/>
--	---

**10. a. Name and Address of Lobbying Registrant:**

Prefix  \* First Name  Middle Name

\* Last Name  Suffix

\* Street 1  Street 2

\* City  State  Zip

**b. Individual Performing Services** (including address if different from No. 10a)

Prefix  \* First Name  Middle Name

\* Last Name  Suffix

\* Street 1  Street 2

\* City  State  Zip

**11.** Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when the transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

\* Signature:

\* Name: Prefix  \* First Name  Middle Name

\* Last Name  Suffix

Title:  Telephone No.:  Date:

# **Table of Contents**

for

## **Hidden Creek Community**

Proposed by Gallatin County, MT, in Partnership with United Housing Partners and the Human Resource Development Council

**Exhibit A: Executive Summary**

**Exhibit B: Threshold Requirements and Other Submission Requirements**

**Exhibit C: Need**

**Exhibit D: Soundness of Approach**

**Exhibit E: Capacity**

**Exhibit F: Leverage**

**Exhibit G: Long-term Effect**

**Attachment A: Summary of Public Comments**

# Exhibit A: Executive Summary

Greater Bozeman, MT has a significant housing affordability problem, and has seen unprecedented appreciation in home prices in recent years. The largest increases occurred between 2020 and 2021, with an almost 30 percent increase. The median home price in the county increased from \$375,000 in 2016 to \$439,325 in 2018. By 2021, that number had skyrocketed to \$710,000 with an average sales price over \$900,000, while the state median home value was only \$263,700. As of October 2023, the median sales prices for a home in Bozeman is now \$947,500. This rapid increase in prices has priced many people out of the market and spurred displacement of current residents. A household needs to earn roughly 220 percent of the area median income to afford the median priced home; wages have remained relatively stagnant.

Gallatin County (the County) owns a nearly 10-acre property in the middle of Bozeman just north of Bozeman High School, where it owns and operates a rest home. 5.62 acres of the property remains raw, undeveloped land lacking adequate infrastructure but already annexed into the City of Bozeman. This property is situated in a centrally located, highly desirable neighborhood that serves as a gateway to downtown, close to schools, shopping, public transportation and crucial amenities. It is also situated in a Qualified Census Tract (QCT). To help create livable spaces for its residents, Gallatin County has partnered with United Housing Partners, the Human Resource Development Council, and the City of Bozeman to envision the Hidden Creek Community. The County intends to donate the land to partners for *permanently* affordable housing, as well as invest \$2 million of its American Rescue Plan Act dollars and provide a pre-development loan to support the project.

Phase 1 will include the initial Low Income Housing Tax Credit (LIHTC) development which currently includes 65 rent-restricted dwellings across three buildings. This phase will include carrying much of the infrastructure burden, which involves a great deal of challenges even on this fantastic site. This development will be split between an 18 home 9% project and a 47 home 4% project and include seven homes reserved for tenants earning 30% AMI. The other 58 homes will be rent restricted to an average income of 60% AMI.

Phase 2 of the development will be a community land trust (CLT) with 10 for sale homes for individuals or families earning less than 120% AMI. There will be a deed restriction included in the trust that caps annual equity at 2% annually to keep these homes affordable. Phase 2 will also include a 2500 sq ft, county-owned daycare for the children of the LIHTC residence or the owners of the CLT homes, county employees, or the general public. Phases 1 & 2 will be built simultaneously with a target start date of May 2025 for construction.

Even with the significant investments available to make this vision a reality, the project remains \$1.5 million short, which is the basis of the request in this application.

# Exhibit B: Threshold Requirements and Other Submission Requirements

Gallatin County is the applicant; we are an eligible local government jurisdiction in the State of Montana. We do not have any outstanding civil rights matters as outlined in section III.D. of the NOFO and affirm we will comply with the statutory and regulatory requirements affecting eligibility in section III.E. We also affirm that we will comply with Other Submission Requirements in section IV.G. of the NOFO. Standard forms required in this section will be uploaded into the portal.



# Exhibit C: Need

**i. Describe your effort so far to identify, address, mitigate, or remove barriers to affordable housing production and preservation.**

The project site is owned by Gallatin County but located within the City of Bozeman. Over the last several years, local governments and partners have worked hard to identify, address, mitigate and remove barriers to affordability. Despite all these efforts, affordable housing remains the number one issue for the community.

**Identify Issues**

- The Bozeman City Commission has consistently identified affordable housing as one of its top strategic priorities: “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.”
- The Community Housing Needs Assessment (February 2019) was completed to help the City identify, understand, and address the housing challenges and problems faced by residents and employees in the city. The Needs Assessment calls for more housing and specifically more housing diversity. It identified a need for between 5,400 and 6,340 housing units by 2024 to address the City’s housing shortfall.
- The City of Bozeman adopted a growth policy, the Bozeman Community Plan 2020, by Resolution 5133, to establish policies for development of the community, including zoning reform. The Bozeman Community Plan establishes goals to increase the supply of affordable housing in the city. To fulfill these goals, the community plan establishes numerous objectives to promote housing affordability and diversity through increased supply of certain types of housing. The Community Plan reflects a commitment to equity, community, and taking meaningful actions to address significant disparities in housing needs and in access to opportunities, maintaining compliance with civil rights and fair housing laws, and fostering inclusive communities free from barriers that restrict access to opportunity.

**Remove Barriers**

- In 2021, the City conducted a Unified Development Code (UDC) Affordable Housing Assessment. The purpose of the assessment was to identify changes that the City could make to the UDC, zoning map, and development review processes to remove regulatory barriers to the creation of affordable housing. The Assessment has resulted three ordinances:

1. The City replaced its outdated Planned Unit Development (PUD) standards, which previously rewarded additional open space with code relaxations, with Planned Development Zones (PDZ) that act as independent zoning districts, providing flexibility for individual

projects and particularly those that include long-term affordability. The purpose of the PDZ district is to provide structure for specific properties to ensure adaptability and innovation that: creates distinct neighborhoods with quality urban design; support implementation of community plans and goals, including the growth policy; provide community benefits through the creation of affordable housing; and protect and promote the health, safety, and wellbeing of the community.

2. The City added a new code section called “Departures for Affordability” to allow administrative marginal flexibility for things like setbacks, lot coverage, building height, private open space and parking to add to the overall housing supply.

3. The City also, by necessity, replaced its inclusionary affordable housing ordinance with an incentives-based ordinance. For context, the City’s first Inclusionary Zoning policy was adopted in 2007. In April 2021, the Montana State Legislature adopted [House Bill 259](#), which prohibits local governments from requiring housing fees or the dedication of real property for the purposes of providing housing for specified income levels or sale prices and which prohibits zoning regulations that require housing fees or the dedication of real property for the purposes of providing housing for specified income levels or sale prices. This forced the City of Bozeman to replace its inclusionary zoning regulations, which had been successful, with a voluntary incentives-based program.

- A comprehensive update to the Unified Development Code is underway. A public draft has been released and hearings are anticipated to occur in 2024. Increasing housing is a major component of the update which includes the elimination of the lot-area-per-dwelling requirements.

### **Mitigate/Address Issues**

- The Bozeman Community Housing Action Plan was approved by the City Commission on November 18, 2019, and amended on January 13, 2020. The Action Plan outlines a partnership framework to help address affordable housing in Bozeman over a five-year period.

- In June, 2023, Bozeman passed Ordinance 2131 to bring more Short Term Rentals (STRs) into code compliance by requiring hosting platforms to provide quarterly lists and remove listings without permits. The City first started regulating STRs in 2017 and are looking to further update these regulations in the coming months through a series of work sessions.

- The City of Bozeman and Gallatin County recently partnered with a local nonprofit organization, One Valley Community Foundation, to create the [Regional Housing Coalition](#) (RHC). The RHC convenes diverse partners and resources to coordinate and activate solutions to housing affordability and availability in Gallatin County. The RHC will attract capital, advocate,

educate the public, and catalyze solutions to address housing attainability and affordability. The coordination of partners, funding, and solutions is critical to addressing housing challenges.

- Gallatin County was awarded a CDBG planning grant for a County-wide housing strategy in the fall of 2022, with matching funds provided by the County Commission. This work is just beginning.

- The City of Bozeman recently provided grant funding to create the Headwaters Community Housing Trust Employee Right of Purchase Program. The program allows employers to acquire the first right of purchase so that income-eligible employees can buy a below-market Housing Trust home. The program raises essential capital, facilitates workforce homeownership, and empowers employers to overcome recruitment and retention challenges via smart investment in housing.

- The City of Bozeman has partnered with a state-wide nonprofit, NeighborWorks Montana, and a local financial institution to create the Gallatin Housing Impact Fund. The fund will offer low-interest financing to encourage for-profit and nonprofit developers, investors, and local governments to partner with community housing providers to preserve and expand housing solutions in Gallatin County. The fund will target households earning 80% of the area median income.

- Gallatin County is also working with NeighborWorks Montana to explore stabilizing the 19 mobile home parks in Gallatin County as cooperatives.

**ii. Do you have acute demand for affordable housing? What are your remaining affordable housing needs and how do you know?**

Yes, Bozeman has an acute demand for affordable housing. Bozeman has been one of the fastest growing micropolitan cities in the United States in recent years. Bozeman grew 5 times faster than the national average in 2022 and Bozeman is forecasted to grow to 8 times faster than the national average over the next 5 years. This staggering population growth has created incredibly expensive housing as demand has far exceeded supply.

Greater Bozeman has seen unprecedented appreciation in home prices. The largest increases occurred between 2020 and 2021, with an almost 30 percent increase. As of October 2023, the median sales prices for a home in Bozeman is \$947,500 compared to \$359,500 in 2016. In stark contrast, the state's median home value was only \$263,700 in 2021. This rapid increase in prices has priced many people out of the market and spurred displacement of current residents. A household needs to earn roughly 220 percent of the area median income to afford the median priced home; wages have remained relatively stagnant.

As of July 2023, the average apartment rent in Bozeman is \$2,324, an 8.8 percent year over year change. Meanwhile, the median renter household income is only \$43,821. After a period where the vacancy rate was consistently below 2%, the rental vacancy rate is showing signs of improvement at 3.2%. The highest share of apartment rentals (1,953 units or 17 percent) were built between 2000 to 2009, followed by those built between 1990 and 1999 (1,724 units or 15 percent), and the ones built between 1980 to 1989 (1,628 units or 14 percent).

According to a 2021 Regional Housing Study by One Valley Community Foundation, home sales prices have increased by 9.5 percent per year, rental rates have increased by 5.2 percent per year, and wages have only increased by 4.1 percent. With rising home prices and comparatively low wages in Gallatin County, about 50 percent of renters and 24 percent of owners are cost-burdened by their housing payment.

According to the Montana Budget and Policy Center, Montana's housing prices have increased significantly over the past several decades, while incomes have not kept pace. Since 1990, median gross rent grew by 26 percent, compared to the national rate of 16 percent, ranking rent costs in Montana the 11<sup>th</sup> fastest growing in the country. Median incomes only increased by 21 percent over the same period. Low-income Montanans now spend ten percentage points more of their income on housing compared to what they spent two decades ago. While many communities have experienced a surge in housing costs, prices have sky-rocketed in Montana's fastest growing cities. This is most notable in Bozeman and Gallatin County where, over the past six years, the cost of housing has risen by more than 50 percent.

When real estate becomes more expensive and demand grows, those with the lowest incomes face the greatest shortage of affordable housing options. Elderly and extremely low-income renters are the most affected by housing challenges in Montana than any other household type. Social service providers in Montana have noticed a spike of baby boomers in emergency shelters. According to 2023 data from Homeless Management Information Systems (HMIS), in Montana, it's estimated that 1,800 people over age 55 are unhoused. Data shows that adults 65 and older comprised the fastest-growing portion of homeless Americans.

In Montana, 39 percent of all renters are cost-burdened. Wages in Montana remain very low compared to the national average, ranking 45<sup>th</sup> lowest of all the states. Seniors and those with disabilities who live on a fixed income face an even greater burden. An individual relying on Social Security can afford to pay no more than \$221 a month for their housing. Affordability challenges are projected to worsen for the aging demographic of the population. This is especially troublesome given that those aged 55 and older make up Montana's fastest growing population.

For some of the most at-risk families, severe housing cost burdens can lead to losing their home entirely. High housing costs and a tightening housing market have become a leading cause of homelessness for families in poverty. Homelessness takes a severe toll on the health of families

and poses huge costs to society. In Bozeman, it is estimated that the city's public services spend a combined \$28,000 annually per chronically homeless, high-need individual. While there are nearly 1,000 subsidized and unsubsidized affordable housing units in Bozeman, waiting lists can run on for months.

According to Human Resource Development Council (HRDC), which runs the Warming Center, the City's only homeless shelter, the rate of homelessness has increased by over 60 percent over the last three years, and the number of people seeking out the shelter has increased by almost 50 percent. In 2023 the City allocated \$241,920 to HRDC to keep the shelter open year-round and the County donated \$2 million for the construction of a new shelter. HRDC plans to spend upwards of \$15 million over the next 12 to 18 months to build this. Yearly operating costs are expected to hover around \$2 million for the facility, which will be staffed 24 hours a day. The shelter will offer 130 beds and six family suites for the area's homeless population, and include resources for health care, addiction treatment and housing assistance. There has been no operational funding source for the facility above current operations, leaving a large gap for fundraising.

Homelessness can be particularly dangerous in Montana, where temperatures can drop to -50°F or lower. Exposure to these conditions can cause frostbite to exposed skin in as little as five minutes and quickly lead to hypothermia and death. Sadly, each year there are homeless people who freeze to death. In temperatures below 10°F, the shelter enacts a Code Blue policy and remains open 24 hours a day and allows suspended individuals access; again with no increase in revenue to fund increased operations.

The current warming center is not for families and has a reputation of poor safety. From January 2021 to October 2022, there were 842 calls to 911 from the center — more than one a day. During that same time, there were 64 calls to the center's address related to incidents including sexual crimes, assault, possession of weapons, criminal trespassing and disorderly conduct that were substantial enough for city police to open a case.

Family Promise, a non-profit that houses families, received large donations which spurred a 600% increase in families served, uncovering a large swath of Bozeman's homeless population that wasn't being helped. Still, the facility has an average of 30 families on the waiting list at all times.

Bozeman's growing rate of people experiencing homelessness and camping on city parks and streets has exploded recently. The campers, trailers, and tents parked along city streets are the most visible manifestation of Bozeman's vicious housing market as rising rents and limited housing inventory have pushed people out of stable homes. The City of Bozeman's Community Resource Officer spends 90% of his time dealing with urban camping, and the City recently

passed an ordinance requiring RVs to move every 30 days. While the stated intention is not to criminalize urban camping, it is difficult to form ordinances and programs and regulations that provide opportunities for people to safely sleep at night and stay out of the elements while at the same time making sure that we have a safe right-of-way. With no year-round shelter, it is difficult for law enforcement to enforce against urban camping due to the Martin V. Boise decision by the 9th U.S. Circuit Court of Appeals.

**iii. What key barriers still exist and need to be addressed to produce and preserve more affordable accessible housing?**

Many barriers continue to exist in Gallatin County and specifically the City of Bozeman for the production and preservation of affordable housing. The City of Bozeman has made and continues to make efforts, but permitting procedures and approval timelines are expensive, slow, and can be unpredictable, in part due ongoing efforts to streamline them. There is often opposition to new housing, and particularly to affordable housing, which further slows the administrative process and makes meaningful community engagement difficult and controversial. Zoning regulations and building codes can be prohibitive, as can infrastructure constraints and the lack of availability of financing and subsidies for affordable housing. The State of Montana has a coal trust that will fund affordable housing projects, but it is structured such that projects in Gallatin County are too large or expensive to utilize it. Montana's 9% LIHTC funding is extremely competitive and receiving more than one project in multiple years is unlikely, and the State lacks the leveraging power of most other states for tax credit projects.

There are very few developers willing to work on affordable housing in this market and also few affordable housing managers. The cost of building housing is untenably high due to the land values, materials costs, the cost of labor, and high interest rates. The cost of construction is 30% higher in Bozeman than in Helena which is located only 100 miles away, because Bozeman is unable to keep up with current labor and housing demand.

The State of Montana has systematically passed policy and law that make building affordable housing difficult. There is no rent control, luxury tax, sales tax, or local gas tax, no ability to impose additional taxes on second homes or on out of state owners, no real estate transfer tax, no inclusionary zoning allowed, and no property tax increase protections for current residents as costs in towns such as Bozeman explode due to in-migration. Gallatin County and the Cities of Bozeman and Belgrade, as well as non-profit and development partners, are active each legislative session to attempt to remedy these issues but have experienced limited success.

There is also limited utility of certain federal programs due to the market in Bozeman. For example, due to the value of vouchers, landlords are unwilling to take them as they are non-competitive with the private rental market. Also, down payment assistance programs cannot be applied to homes in Bozeman housing stock in the eligible price range does not exist.

# Exhibit D: Soundness of Approach



**i. What is your vision?**

**Project Vision**

Housing is in short supply throughout the country and Montana is no exception. Affordable housing continues to be one of the state’s largest development shortcomings. In October 2022, Governor Gianforte said, “I think this affordability and attainability of housing is probably the biggest issue facing working families in Montana,”<sup>1</sup> and he created a Housing Task Force in 2022 to help find housing solutions. There are few places in the state where the issue is more dire than Gallatin County, and although Bozeman and Gallatin County do not qualify as priority communities for PRO Housing Funds under HUD’s criteria, a market that “caters to Wall Street instead of working Bozemanites” has created a wealth gap and significant barrier to affordable housing that rivals any market in the United States.<sup>2</sup>

Quoting the summary of the 2023 Gallatin County Housing Report, “...the affordability of housing has deteriorated significantly, and there is tangible evidence of middle-income households being squeezed out of homeownership as a result. This is clearly a major challenge for communities in many places to solve, but the challenge in Gallatin County is especially daunting.” (See page 35, Gallatin Association of Realtors 2023 Gallatin Valley Housing Report) The County’s need for affordable housing had already reached unprecedented levels prior to the housing market boom that followed the COVID-19 Pandemic. Now, it has escalated and worsened considerably. Many believe inventory pressure is to blame and increasing housing supply will solve the issue (as it does in other markets throughout the United States). But other experts see the major barrier to affordable housing in Gallatin County as more unique; “If we woke up tomorrow to 1,000 brand-new housing units, they would be snatched up by same people who are snatching them up today: 20 percent would go to wealthy people from Bozeman who can afford to move up or invest; fifty percent would go to wealthy newcomers; and the remaining thirty percent would go to out-of-state investors.”<sup>2</sup>

According to the Gallatin Association of Realtors (GAR), “[W]e define affordable housing as housing in which the household is paying no more than 30 percent of their income on housing costs including utilities. The 30 percent measure is mainly a benchmark for the middle-income level household, and likely understates the cost burdens for low-income renters...There are a sizable number of low-income households in Gallatin County, almost all of whom are renters. Of the total 17,264 renter households in the county, 84 percent make below median income, and 29 percent earn income that is less than 30 percent of the median income...” See page 30, Gallatin Association of Realtors 2023 Gallatin Valley Housing Report.

---

<sup>1</sup> <https://montanafreepress.org/2022/10/27/gianforte-pushes-trades-education-construction-as-housing-affordability-fixes/>

<sup>2</sup> <https://mountainjournal.org/bozeman-a-city-touted-as-icon-of-american-prosperity-has-deep-affordable-housing-crisis>

The median home price in the county had increased from \$375,000 in 2016 to \$439,325 in 2018, and the Bozeman market was garnering a reputation as one of the Rocky Mountain region's fastest growing areas<sup>3</sup>. By 2021, that number had skyrocketed to \$710,000 with an average sales price over \$900,000, while the state median home value was only \$263,700. As mentioned previously, as of October 2023, the median sales prices for a home in Bozeman is now \$947,500. This number is simply out of reach for most families to enter to market. *See* ([https://www.bozemandailychronicle.com/news/education/killing-potential-housing-costs-hurt-hiring-keeping-bozeman-teachers/article\\_e2d725dc-6485-11ee-9754-d721e8b432a3.html](https://www.bozemandailychronicle.com/news/education/killing-potential-housing-costs-hurt-hiring-keeping-bozeman-teachers/article_e2d725dc-6485-11ee-9754-d721e8b432a3.html)).

Gallatin County (the County) owns a nearly 10-acre property in the middle of Bozeman just north of Bozeman High School, where it owns and operates a rest home. 5.62 acres of the property remains raw, undeveloped land lacking adequate infrastructure but already annexed into the City. This property is situated in a centrally located, highly desirable neighborhood that serves as a gateway to downtown, close to schools, shopping, public transportation and crucial amenities. It is also situated in a Qualified Census Tract (QCT). However, the parcel requires subdivision, significant utility and infrastructure development, and carries extensive impact fees that neither the City nor the County has any legal means to discount or mitigate.

In 2021, the County decided to develop the property to help alleviate this issue as well as find a meaningful way to retain County employees and other public workers who simply couldn't afford housing in the Bozeman area on a government salary. The process began with a staff housing meeting, employee childcare survey, and employee housing survey that was conducted late in 2021. This information was used by a land use consultant and the acting local affordable housing authority, HRDC, to present a 'Ideation' summary to the County Commissioners in July of 2022. The County's primary goals coming out of the engagement process were to build affordable housing that was both rent restricted and reserved for County or other government employees as well as a daycare. This led to the release of a Request for Proposals (RFP) which was unsuccessful and eventually Request for Qualifications (RFQ) in the Spring of 2023.

The RFP feedback opened the County's eyes to the realities of how difficult it has become to develop affordable housing in the area under current market conditions. During the RFQ process, feasibility of the County's goals was discussed with potential development partners and several proposals were presented to the County Commission. United Housing Partners (UHP) was eventually selected as the County's development partner, and work began to maximize the housing that could fit on the property, while remaining committed to helping the County reach its goals. UHP brought in HRDC as a non-profit partner for their expertise as the local housing authority. All project iterations include housing 100 percent reserved for low and medium income (LMI) beneficiaries.

---

<sup>3</sup> <https://bozemanmagazine.com/articles/2021/08/01/111469-bozeman-real-estate-market-report-august-2021>



a1

### Site Plan

Hidden Creek Apartments

**MOSaic**

The current proposal is named Hidden Creek Community and envisions a three-phase development:

- Phase 1 - a 60-65 dwelling Low Income Tax Credit (LIHTC) project, twinning 9% and 4% LIHTC equity.
- Phase 2 - a Community Land Trust (CLT) with 10 privately owned row-homes that will have an equity cap in place; as well as a 2500 square foot daycare.
- Phase 3 - a second 60-65 dwelling Low Income Tax Credit (LIHTC) project, twinning 9% and 4% LIHTC equity.



The LIHTC developments would follow all HUD and Fair Housing guidelines and conditions as required for federal funding, even going one step further in length of affordability, for one stipulation of the County donating the land is that it be permanently restricted for low-income beneficiaries. Dwellings would use income averaging (IA) and include apartments rent-restricted to tenants earning 30, 60, and 70 percent of Area Median Income (AMI).



Originally, the development team had hoped to build the entire project in a single LIHTC application, with HRDC controlling the CLT and the County retaining ownership of the daycare. Unfortunately, many of the same constraints that have made housing so expensive in Gallatin County, left a three-million-dollar financing gap on the project that simply couldn't be overcome, even with the County donating the land and investing \$2 million of ARPA funds, as well as both 9% and 4% LIHTC equity. Furthermore, the County intends to provide a pre-development loan to UHP for costs accrued prior to any funding award to help ensure the success of the project.



The PRO Housing Grant is necessary to make Hidden Creek Community a reality. By phasing the LIHTC development, the development team has found a way to minimize the gap to a million dollars for Phases 1 and 2. This will create 65 rent-restricted dwellings along with the 10 CLT homes and County-owned daycare. With the award of PRO Housing Grant funds in 2023 and a 9% tax credit award in 2024, construction could start in 2025. All planning, budgeting, and design work are able to work at full capacity to hit this timeline if 9% credits are awarded. What makes this ambitious project so special is how it can serve as a model to show how creative partnerships can play a crucial role in leveraging unused public land for housing, addressing critical housing shortages and promoting community development.

There is an abundance of government-owned land lacking infrastructure, yet well situated for affordable housing in areas throughout Montana, but there's also a history of "talking" about developing this land into affordable housing without much action due to the legal constraints on local governments, on top of significant general development constraints. Hidden Creek Homes will serve as a pilot project to demonstrate how other jurisdictions in Montana can partner to reduce affordable housing barriers and get projects on the ground. State law allows for the donation of local government property for this very purpose, but the bigger issue is availability of funds and ways to close the gap in such tough economic conditions for lending and construction. Cities, counties, and government agencies are constantly 'talking' about how to create and preserve more affordable housing, particularly for the most vulnerable members of those communities, those considered extreme-low income or earning 30% AMI or less. Working together, the County, developer, and HRDC envision creating a model that could then be repeated throughout the state, region, and country.

The development team believes this innovative new approach to diversify development can succeed where all other efforts seem to end in talk, studies, and task forces incapable of making an impact. The benefits of affordable housing combined with daycare and housing reserved for municipal, county, federal employees, health care professionals, or teachers is a movement that the vast majority of communities can get behind. The key is expediting these efforts into finished dwellings. This project does just that. We maximize the leverage of funding sources and a County Commission ready to donate a significant parcel of land and capital toward this cause.

**ii. What is your geographic scope?**

The Gallatin County Rest Home site is located in a Qualified Census Tract. The tract median family incomes are between 50 percent and 80 percent of the area median income. The 2023 estimated tract median family income is \$56,209. The census tract has a population of 2,860 residents and 16.19 percent of those individuals are minorities. This contrasts with Gallatin County's general population of 94.3% white. Despite Bozeman not qualifying as a priority geography per HUD calculations, it has more demand for affordable housing than anywhere in

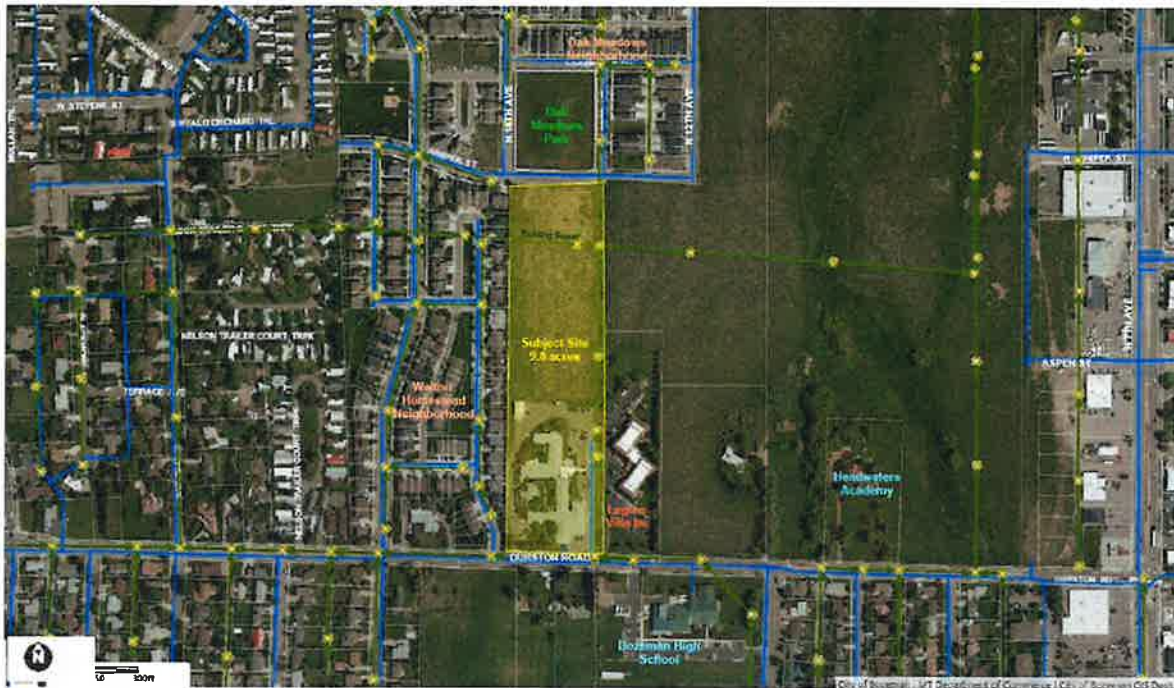
the state, and due to current home prices, land prices, and market rents, it has become nearly impossible to create new affordable housing in Bozeman.

The vision of Hidden Creek Homes is to serve the entire Gallatin Valley with a community close to schools, downtown, different transportation options and city services. There is significant outmigration of locals to more rural areas of the County due to housing affordability; Gallatin County wishes to enable employees and other hard-working residents the ability to live near where they work. As shown below, the infill parcel is located in a walkable neighborhood adjacent to existing neighborhoods, public and private schools, main thoroughfares, shopping, and downtown. It does not concentrate affordable housing or oversaturate the area, but rather adds value as a more equitable community.



County Rest Home - Site Context  
4/8/2021

Aerial Image Source: Google Earth



Gallatin County Rest Home - Water & Sewer  
4/8/2021

Aerial Image Source: Bozeman GIS

**Hidden Creek Homes**

Hidden Creek Homes is not just an affordable housing project, as it includes a community land trust, childcare, senior LIHTC housing all in a well-designed infill neighborhood that connects into the greater community. The project will serve as a pilot to show what can happen when the County, State, City, and Federal Government (HUD and potentially other partners like the Forest Service) come together to create affordable housing on publicly owned land. With constraints in state law such as a maximum 40- year lease term, antiquated procurement laws, and ambiguous terms and definitions regarding land donation, it is particularly difficult for Counties to partner for such projects. Gallatin County’s goals are to: provide housing to both retain current and recruit new County employees; to provide temporary housing for traveling nurses essential to the operation of the Rest Home and detention center officers; to provide daycare for County employees; and to contribute to the overall supply of workforce housing in the community.

**Gallatin County Rest Home**

There is a troubling trend sweeping the nation – more than 1,000 nursing homes have closed since 2016, displacing 45,000 residents. Montana is also feeling the impacts of the crisis. Reports show in the past six months Montana lost about 10% of its nursing home beds. Indeed, the County’s rest home is the *only* skilled nursing facility left in the County, providing 69 beds for a population of 120,000. All other skilled nursing facilities were forced to close due to the cost to operate compared to reimbursement rates. Gallatin County passed a mill levy in 2022 to be able

to continue to operate its rest home. The Gallatin County Rest Home has built a reputation on quality of care and is a certified Medicare/Medicaid facility licensed by the Montana Department of Public Health and Human Services. Their philosophy is to: improve quality of life by promoting each resident's self-respect, reliance, identity, determination, and dignity; to prohibit discrimination based on race, color, religion, sex, age, handicap, national origin, and diagnosis; and to ensure equality in all aspects of care.

### **Senior Housing**

According to [HUD](#), the older population is projected to grow rapidly, and challenges related to affordability, accessibility, and poor linkages to health services may make it difficult to find housing. Expanding the supply of aging-friendly housing and improving the links between housing and healthcare can help seniors age safely, comfortably, and affordably. This project intends to serve the senior population and is located close to transit and other amenities in the center of the City. While Gallatin County's senior population is 13.7%, lower than the national average, this is likely due to the fact that it houses Montana State University and displacement and homelessness among seniors is indeed growing.

The older population will also become more racially and ethnically diverse, with the nonwhite share of this population expected to increase from 22 percent to 31 percent. The nation's existing housing stock – in terms of options, affordability, and accessibility – is ill-suited to meet the housing needs of an increasingly older population. As the senior population and the share of minorities increase, demand for nursing homes will increase. Senior housing is truly part of the healthcare continuum.

### **Childcare**

According to 2021 Child Care Connections data, childcare is considered affordable when it takes up 7 percent or less of a household's income. A typical family in Gallatin County spends over 25 percent of their income on childcare for one infant and one toddler. Licensed childcare in Montana meets only about 47 percent of demand, leaving over 20,000 children without licensed care.

Montana is 1 out of 5 states in the U.S. that fails to meet even half of the potential need for childcare. Gallatin County has a shortage of 52 percent in licensed childcare, leaving many families with illegal or unsafe options for their children. The average annual cost of infant care in Montana is \$9,062, whereas the average annual cost of college tuition is only \$6,323. Bozeman's childcare cost is 12% higher than the Montana average, and 10% higher than the national average.

### **Community Land Trust**



High land costs are an obstacle to developing and securing affordable housing for lower-income families and for the “missing middle.” The community land trust model is an attractive mechanism for maintaining and expanding the stock of affordable housing. HRDC is a community-based, not-for-profit organization committed to expanding the supply of permanent, below-market homes.

**iii. Who are your key stakeholders? How are you engaging them?**

The key stakeholders for Hidden Creek Community are the members of the community most marginalized or otherwise impacted by the current market conditions. This includes all Bozeman community members earning 70% AMI or less, along with public employees meeting the income restrictions of the Community Land Trust. As documented throughout this narrative, Gallatin County, and Bozeman in particular, is suffering significant supply issues for housing. Due to having some of the nation’s highest construction costs combined with high demand and the current interest rate environment, the multifamily housing currently being built in the city is skewed heavily toward luxury units or rental households earning over 120% AMI. Meanwhile, much of the city’s workforce is burdened to pay well over 30% of their income on housing, room share, live with family, in campers, or commute long distances.

In 2022, Bozeman faced a significant disparity in household incomes, particularly among its renter households. According to a mini market study completed by Novogradac Consulting on April 7, 2023, of Bozeman’s approximately 13,000 renter households, a staggering 61% earned less than \$50,000 annually<sup>4</sup>. For a family of four or fewer, this is considered Very Low Income (50% AMI) in Bozeman and sheds light on the economic challenges faced by a substantial portion of the city’s residents. The implications of this income distribution are far-reaching, affecting access to affordable housing, healthcare, education, and overall quality of life. And the issue is only expected to worsen in coming years, as the city is projected to add another 1,000 rental households over the next five years. For a city known for its natural beauty and recreational opportunities, the wealth gap is creating barriers within the community. These income disparities highlight the need for comprehensive policies and initiatives aimed at supporting the local workforce and addressing the growing issue of affordability.

Gallatin County has become a playground for the rich, and this has created economic conditions and barriers to affordable housing that are unique to Bozeman. Billboards ask, “Dreaming of Your Own Equestrian Property?”, the New York Times calls Big Sky Ski Area “the future of skiing”, and the Yellowstone Club, the world’s only private ski resort, is currently building 864 multimillion-dollar homes (many of which will be more than \$10 million) to meet demand for buyers making all their income from out of state investment. All this is occurring as local

---

<sup>4</sup> HISTA Data / Ribbon Demographics 2022, Novogradac, April 2023

residents live in campers, or with multiple families in a single rental, or in commuter communities an hour or more from their jobs.<sup>5</sup>

*In These Times* published a recent article asking “How do you commodify an entire region into a playground for the rich and keep workers around to make the lattes and paint the houses? . . . Archie Martinez is the answer. . . Martinez spends the day painting wood stain onto the timbers of a freshly built log mansion, and goes home to the homeless shelter in Bozeman with hands stained the color of someone’s second home. When the painting’s done, the houses will go on the market for \$ 1.5 million each. . . The problem for Martinez, then, is how to stay sheltered and avoid a massive commute. Governments, businesses, and philanthropists have all failed to offer a viable answer, except for the homeless shelter. . . Martinez is not the first forced to draw such conclusions. Big Sky Community Housing Trust’s recent survey of Big Sky workers found that, of 566 respondents, more than 40% had to move out of their homes in the past three years because the rent had become unaffordable, or because their landlords had sold the home, turned it into a vacation rental, or moved in themselves.”<sup>6</sup> Hard-working people like Martinez should not be forced to live in a homeless shelter, and the PRO Housing Grant will help support a project with permanent affordability that’s also scalable in other communities.

Teachers, educators, and students are also key stakeholders in the Hidden Creek Community. Currently, a person or family would need to make more than \$200,000 per year to afford a mortgage in Bozeman’s market. Starting salaries for teachers in the district are \$45,895 and a teacher with a master’s degree in their 18<sup>th</sup> year would make \$87,659. It’s easy to see how wide the wealth gap is in Bozeman from this data, and this applies to many jobs throughout Gallatin County, but if teachers can’t live in the community, students and future generations will suffer. Morgan Coffin was awarded Gallatin Valley Teacher of the year in 2021-22. He is the type of teacher a community needs to educate the next generation of Bozeman’s contributors and leaders, but he recently left the profession because he knew he’d never be able to afford housing on a teacher’s salary.<sup>7</sup>

This scenario isn’t unique to teachers. Nurses, police officers, social workers, retail workers, restaurant workers, construction workers, like Martinez, and anyone earning 70% AMI is a stakeholder in Hidden Creek Community and will be impacted by the Pro Housing Grant. Housing in Bozeman is unattainable for so many professions that Bozeman Citizens United held a vigil on August 3, 2023, to mourn friends and family displaced by the affordable housing crises hoping to end the growing trend of short-term rentals. “Tonight, we mourn the absence of good friends, beloved family, brilliant colleagues, neighbors and good co-workers who have left,”

---

<sup>5</sup> <https://inthesetimes.com/article/displaced-montana-workers-luxury-housing-2>

<sup>6</sup> <https://inthesetimes.com/article/displaced-montana-workers-luxury-housing-2>

<sup>7</sup> [https://www.bozemandailychronicle.com/news/education/killing-potential-housing-costs-hurt-hiring-keeping-bozeman-teachers/article\\_e2d725dc-6485-11ee-9754-d721e8b432a3.html](https://www.bozemandailychronicle.com/news/education/killing-potential-housing-costs-hurt-hiring-keeping-bozeman-teachers/article_e2d725dc-6485-11ee-9754-d721e8b432a3.html)

Laura Folkwein, a local pastor, said. “We are here to mourn the isolation, shame, stigma and silence that surround lack of housing, dangerous living situations and homelessness.”<sup>8</sup>

The high percentage of renter households earning less than \$50,000 in Bozeman not only underscores the economic burden faced by a significant portion of the population but also reiterates the fundamental struggles the city is having with housing affordability and income inequality. Prices continue to surge even amidst rising interest rates, and yet wages remain mostly static. This means both the city and county struggle to attract and retain talent, as these individuals and families simply can’t afford to live in Bozeman as a teacher, retail employee, or government worker. Such a scenario calls for strategic interventions from local, state, and federal government, along with community organizations to create meaningful solutions. Addressing these challenges in a holistic manner is crucial to fostering a more equitable and prosperous future for all residents, ensuring that Gallatin County remains a vibrant and inclusive community for years to come.

In 2021, the Guardian.com published an article titled, “Who can afford in the American West when locals can’t,” which detailed the fast growth of the income inequality gap in Montana and other western states seeing waves of newcomers. The article cites the measures that displaced residents were taking, like living in RVs and camp trailers, staying at the homeless shelter, or moving out of state...and it’s become significantly harder to find affordable housing since. The situation has gotten far worse in Bozeman over the last two years, as the median home price has risen from \$720,000 in 2021 to over \$900,000 in 2023.<sup>9</sup>

Hidden Creek Community won’t solve the County’s housing crisis, but it is desperately needed to help alleviate some of the strain on workforce housing. The daycare will help fill a desperate need in the County. The restrictions required for the project to qualify as LIHTC will ensure the highest standards of the Fair Housing Act are strictly followed, and the requirements in order for the County to donate the land will help preserve the housing as permanently affordable. Additionally, the CLT will provide the flexibility to balance the income levels of the development.

As part of the overall engagement process, the County has created and maintained a [project website](#) as well as a contact list of interested neighbors, residents and potential partners. Below is a summary of the process including engagement efforts thus far:

- 11/29/21 – Gallatin County Staff Housing Meeting
- Winter 2021 – Employee Childcare Survey
- Spring 2022 – Employee Housing Survey
- 3/4/22 – Gallatin County Commission Meeting: Goal Setting

---

<sup>8</sup> [https://www.bozemandailychronicle.com/news/city/bozeman-tenants-vigil-mourns-impacts-of-affordable-housing-crisis/article\\_5f4c601e-3218-11ee-9b6f-53104b1fedaf.html](https://www.bozemandailychronicle.com/news/city/bozeman-tenants-vigil-mourns-impacts-of-affordable-housing-crisis/article_5f4c601e-3218-11ee-9b6f-53104b1fedaf.html)

<sup>9</sup> <https://www.theguardian.com/society/2021/aug/26/american-west-income-inequality>

- 4/29/22 – Gallatin County Employee Meeting: Goals/Research Sharing
- 5/23/22 – In Person Meeting with Neighbors and Interested Parties
- 5/25/22 – Virtual Meeting with Neighbors and Interested Parties
- 7/6/22 – Gallatin County Commission Meeting: Ideation
- 8/9/22 – Gallatin County Commission Meeting: Continued Ideation
- Fall 2022 – After these engagement opportunities, HRDC then provided county commissioners with multiple conceptual housing options. These options included various types of housing such as duplexes, row homes, and apartment buildings. These options were workshopped and further refined to one informational option that included a mix of different types of housing.
- 12/16/22 – An informal plan was reviewed by the City of Bozeman to provide advice and direction for the project. City departments, such as planning and engineering, reviewed the conceptual materials and provided written comments to flag any major code issues or concerns.
- Spring/Summer 2023 –After a failed Request for Proposals (RFP), the County issued a Request for Qualifications (RFQ). As part of the Request for Qualifications submittal, UHP supported the conceptual designs and worked to integrate the community’s feedback into a feasible development. United Housing Partners was selected as the development partner in August of 2023.
- 10/24/23 – The Gallatin County Commission held a public hearing on the PRO Housing Grant Application
- Ongoing – As previously noted, project feasibility is very difficult in current market conditions. Representatives from the developer, County, City of Bozeman, HRDC, attorneys, accountants, and affordable housing partners have held weekly calls to identify and take on development issues ranging from the development timeline, legality and language of land transfer, subdivision process, community land trust, operation of the daycare, to the construction and pre-development cost, tax implications, roles, and soft cost and gap funding opportunities.

**iv. How does your proposal align with requirements to affirmatively further fair housing?**

The development team’s proposal to prevent and remove barriers to affordable housing in Gallatin County, specifically in high opportunity, walkable or centrally located neighborhoods in Bozeman, involves providing as much housing for the widest demographic the County-owned parcel will support. We plan to accomplish this by creating a community of rental and for sale homes with blended income beneficiaries along with a potentially below-market daycare. Hidden Creek Community will mix rent restricted apartments, affordable for sale homes, and subsidized day care all aimed at increasing access for underserved groups in a highly walkable neighborhood close to schools and other amenities.

Bozeman has been trying to advocate and incentivize affordable housing as a part of residential and multifamily developments for years. The passage of House Bill 259 by the Montana legislature in 2021 prohibited local governments from requiring fees or dedication of real

property for the purpose of providing housing for specified income levels. Other state-led initiatives and funding sources, including the Coal Trust Loan program have also limited direct affordability requirements despite lobbying by the Montana Housing Coalition.

The County hopes the public-private partnerships formed through this project can serve as a blueprint for other public entities to consider donating underutilized land for affordable housing that integrates a range of incomes.

Simultaneously, both the City of Bozeman and the County are doing everything in their power to streamline the permitting process and find other financial incentives, including \$2 million in ARPA, to be allocated toward the development to encourage the construction of more dwellings and lower income qualifications. Again, this application for HUD PRO Housing funds is intended to do exactly that; help the developer close the gap that exists to fund the infrastructure, development, and construction for a project that will have enormous impact on the community for years to come.

The project's location in a walkable neighborhood near schools, shopping, and downtown, Hidden Creek should serve to break down any systemic barriers that may exist, prevent the concentration of affordable housing or oversaturate the area, and serve to create a racially diverse community in a well-resourced area, fostering a more equitable community. The proposal prioritizes a balanced distribution of income restricted rentals for 60% AMI beneficiaries (using IA) with higher income limit resident owned homes (up to 120% AMI). The development team hopes to allocate a significant portion of these affordable units to women, minorities, and individuals with disabilities, ensuring a diverse and inclusive environment. By actively promoting diversity and socioeconomic inclusion, the County, along with our partners, transform this raw land into a vibrant, integrated community accessible to all, irrespective of their background or ethnicity and permanently affordable.

This mixed-income approach is intent on increasing opportunity to rent or eventually own to ensure expanded housing choices for residents in need. There will also be a strong emphasis on addressing the unique housing needs of protected class groups who are amongst those most marginalized in a city experiencing Bozeman's housing constraints. This includes minorities, women, seniors and the disabled. Of the initial 65 apartments, 18 will be reserved for seniors. For persons with disabilities, we prioritize universal design principles in new construction and rehabilitation projects, ensuring accessibility and reasonable accommodations. All downstairs units will meet handicap accessibility requirements according to 1991 Fair Housing updates to new construction, and Section 504 of the Rehabilitation Act of 1973 will be applied as the property will use a HUD D4 loan along with CDBG funds.

The County, City of Bozeman, HRDC, and UHP all actively promote equal opportunity employment along with affirmative fair housing marketing plans (AFHMP) to combat discrimination. Fair Housing and ADA provisions apply to all LIHTC developments, and all partners in the development are vested in ensuring proper construction and management oversight in this regard. HRDC has LIHTC-compliant property managers certified on the latest Fair Housing requirements and legislation. Underserved communities, including individuals or families of color are eligible and shall be marketed toward. The County's commitment to equity and inclusion ensures that all protected class groups have equitable access to safe, affordable housing options, including some dwellings reserved for seniors.

These safeguards, coupled with stringent tenant protection policies, form a critical component of the development team's strategy to prevent displacement and maintain housing stability for vulnerable residents. Hidden Creek's proposal also places a strong emphasis on addressing the housing needs of people with disabilities. LIHTC standards ensure that a percentage of the homes are designed to be fully accessible, meeting ADA requirements and Fair Housing Act accessibility standards. By fostering an inclusive environment and complying with ADA and Fair Housing Act requirements, our proposal ensures that people with disabilities have increased access to affordable, accessible housing and the necessary supportive services, promoting independence and community integration. The implementation of our proposal will involve a phased approach, with clear timelines and performance metrics.

Additionally, the City of Bozeman will streamline the environmental review process and collaborate with architects and urban planners to adhere to design standards while prioritizing affordability and accessibility. Continuous monitoring and feedback mechanisms will be in place to adapt and refine County strategies as needed, fostering broad support and successful implementation of our proposal. The County has already conducted community workshops, town hall meetings, and surveys to gather insights from residents, community leaders, potential partners, advocacy groups, and neighbors.

UHP, HRDC and the County are committed to promoting diversity and equity throughout the development process of all phases. The team plans to actively engage and support minority-, women-, and veteran-owned businesses by implementing supplier diversity programs and providing opportunities for these businesses to participate in sharing their thoughts, comments, and concerns. Additionally, the developers will establish a comprehensive diversity and equity plan that outlines their commitment to fair hiring practices, workforce development, and inclusion in all aspects of their housing initiatives. They will employ a robust evaluation framework to assess the impact of our proposal on promoting desegregation and expanding equitable access to well-resourced areas. This framework will include measures such as demographic analysis, tracking changes in the racial and socioeconomic composition of residents, and assessing the utilization of affordable housing units in different neighborhoods.

Additionally, the team will conduct surveys and engage with community members to gather qualitative feedback on their experiences. All future actions will be data-informed and ongoing, allowing us to adapt our strategies as needed to achieve our goals of promoting diversity, equity, and inclusion in housing while ensuring that developments like Hidden Creek Community seamlessly integrate with the surrounding community. If the later phases require more or fewer large family dwellings or increases in bedroom number averages, this will be addressed. To track progress and evaluate the effectiveness of our efforts to advance racial equity in our grant activities in Bozeman, where there may be less racial diversity but significant financial inequality, we will employ a multifaceted approach.

Affirmatively marketing the benefits of our housing initiatives broadly throughout the local area and nearby regions will be a priority. Leveraging the expertise of community housing leaders like HRDC, who already hold and disperse housing vouchers and subsidies, will be instrumental. The development team will collaborate closely with nonprofits and government agencies to create targeted outreach campaigns that reach demographic groups least likely to apply or most likely to struggle with the application for affordable housing. These efforts will include informational sessions, multilingual materials, and partnerships with local community organizations. By proactively engaging with underserved communities and ensuring accessibility to information and resources, we aim to remove barriers to application and increase the awareness and participation of all eligible residents in our housing programs, fostering greater inclusivity and equity.

**v. What are your budget and timeline proposals?**

The County relies on its development partner, UHP, for much of the feasibility and financial constraints for the size, scope, and timeline of this project. As described in greater detail under the Capacity section to follow, UHP staff has extensive experience with LIHTC developments throughout the country and understands the heavy burden of large-scale housing development in the current construction environment. With this experience in knowing each line-item for raw land development, along with high level estimates already provided by multiple local general contractors (GCs), civil and structural engineers, architects, and city staff, the developer has put together a conservative Proforma to estimate the project's budget, funding source needs, and timeline for soft fund source awards, loan and LIHTC closing, subdivision, infrastructure, construction, and eventual rent up and stabilization.

Phase 1 will include the initial LIHTC development which currently includes 65 rent-restricted dwellings across three buildings. This phase will include carrying much of the infrastructure burden, which involves a great deal of challenges even on this fantastic site. This development will be split between an 18 home 9% project and a 47 home 4% project and include seven homes

reserved for tenants earning 30% AMI. The other 58 homes will be rent restricted to an average income of 60% AMI.

Phase 2 of the development will be the CLT with 10 for sale homes for individuals or families earning less than 120% AMI. There will be a deed restriction included in the CLT that caps annual equity at 2% annually to keep these homes affordable. Phase 2 will also include a 2500 sq ft, county-owned daycare for the children of the LIHTC residence or the owners of the CLT homes, county employees, or the general public. Phases 1 & 2 will be built simultaneously with a target start date of May 2025 for construction.

The construction related costs for the initial LIHTC phase, as detailed in the attached document, are over \$17,000,000 (*see* Construction related costs under Uses heading on the Pro Forma Budget). This does not include soft costs or the expenses associated with financing. These numbers were reached through estimates provided from local expertise based on current projects, along with the developer's firsthand experience from recent projects nearby. UHP prides itself on designing aesthetically pleasing projects that bring pride to their beneficiaries and community partners using a design approach that begins with the budget and site plan rather than the architect. One recent trend in development that really helps is having the GC and engineers start putting together the materials budget and identifying areas of savings, such a manufactured assembly, prior to the full architectural design. This allows the development to move forward on the first design without delays or additional costs to adjust the design later due to cost or supply shortages.

The development team hopes to incorporate as many soft funding sources as the project can support and a LIHTC development will allow under Montana's latest Qualified Allocation Plan (QAP). Based on this budget, the project requires the requested \$1.5 million from the Pathways to Removing Obstacles to Housing Grant to close the gap and make this project a reality. If Hidden Creek does not receive an award or if the award is less than the minimum reward size defined by the NOFA, the development team would continue to exhaust all possible resources in order to close the gap, as the goal is so impactful and the funding gap such a small percentage of the entire budget.

The detailed timeline for development of phases 1 and 2 is included below. It is important to remember that the development timeline is ultimately dependent on the project's success garnering a 9% LIHTC award. Awards are decided each October at the Montana Board of Housing meeting. One factor that has proved impactful on the Board's decision is the amount of other soft funds already secured for the project, as this provides more 'bang for the buck' in leveraging the limited 9% funds available.

Building the capital stack begins with a 9% LIHTC letter of intent (LOI) application in April of 2024, National Housing Trust Fund (NHTF) in June, and the Montana Healthcare Loan in July, and Community Development Block Grant (CDBG) in early October. Once funds are secured, the following implementation schedule would be ideal.



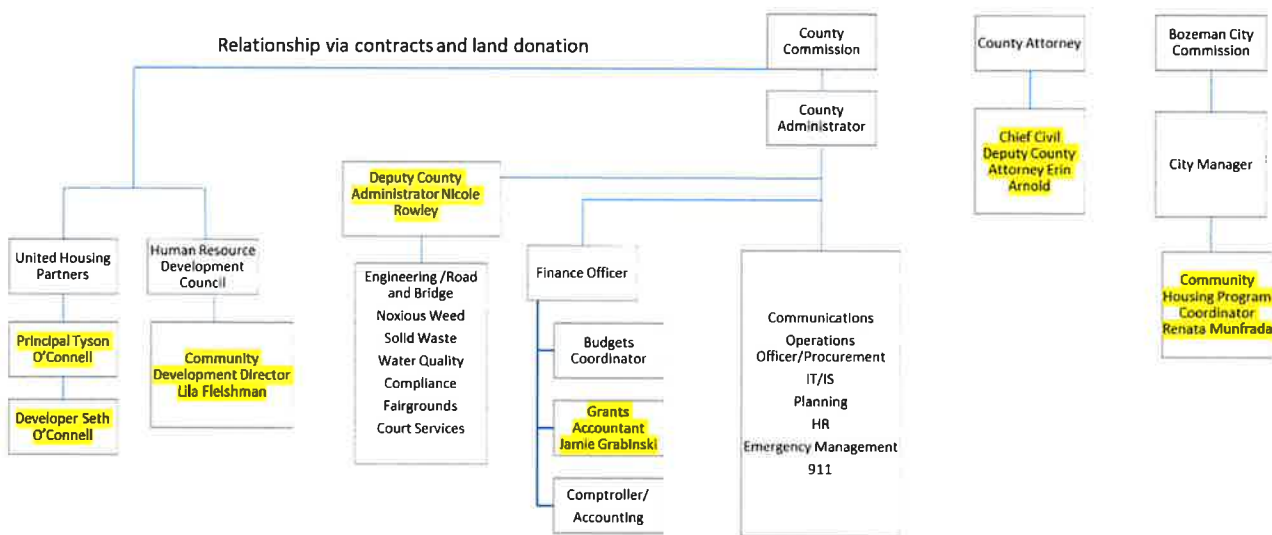
## PROJECT IMPLEMENTATION SCHEDULE

January 2024	Signed Development Agreement.
April 2024	Letter of Intent (LOI) due for Low Income Housing Tax Credits (LIHTC).
May 2024	Presentations/Board invitations to apply for 2024 LIHTC projects.
June 2024	National Housing Trust Funds (HTF) application due.
August 2024	Full submission for LIHTC approved applicants.
October 2024	Award determination for LIHTC funding at October MBOH board meeting.
November 2024 to March 2025	Full design phase.
March 2025 to August 2025	Bidding phase and permitting processes completed.
September 2025	LIHTC closing.
September 2025 to January 2026	Infrastructure Phases 1 & 2
January 2026 to April 2027	Construction Phases 1 & 2.
May 2027	First Certificate of Occupancy issued.
November 2027	Final Certificate of Occupancy issued.
March 2028	Final Lease-Up complete.
March 2029	Tax credit certification.
April 2027	Permanent loan conversion.

# Exhibit E: Capacity

**i. What capacity do you and your Partner(s) have? What is your staffing plan?**

The County has experience applying, managing, and overseeing the implementation of federal grant funds and has a grant administration division with direct focus and expertise in the area. In addition, the County’s legal council will have direct communication in all phases to ensure that local, state, and federal regulations are followed from award through allocation and record keeping. The development partners, UHP and HRDC are also both experienced with the use of federal grants and funding for project development as well. The Team consists of staff from Gallatin County, the City of Bozeman, the Human Resource Development Council, and UHP. There are no current or expected vacancies in key management positions for this grant. An organizational chart highlighting key staff is shown below.



**The Developer**

United Housing Partners was formed in October of 2022 with the intent to build and preserve affordable housing. The principal owner is Tyson O’Connell. As the primary developer, Tyson, along with his team, brings extensive capability, capacity, and experience in developing affordable housing with complex funding sources including LIHTC, CBDG, and HTF funding.

**Mission & Vision**

The mission of Gallatin County is to provide cost-effective services, visionary leadership, and responsive policies for our residents. It aligns well with our partner United Housing Partners’ mission for this project, which is to build and rehabilitate affordable housing for communities that need it most. UHP forms strong partnerships with our stakeholders and builds sustainable housing that brings pride to communities and dignity to residents. They face challenges and solve problems with integrity, transparency, and grit, and believe affordable housing is critical for family stability, reducing poverty, and increasing economic growth. Unfortunately, there is a shortage of seven million affordable homes in our country, and millions of seniors and families

are paying more than they can afford for rent. UHP uses their financial expertise to structure complex financing by leveraging tax exempt bonds, Low Income Housing Tax Credits, and other grant and loan programs to build quality affordable housing that delivers long-term positive impact.

### **The Team**

Gallatin County will serve as the grantee, providing grant and fiscal management. Nicole Rowley, the Deputy County Administrator of Gallatin County, will serve as the internal project manager, will lead the project team, and will be responsible for the day-to-day implementation of the project. Nicole has over 10 years of experience working in local government, including previous service as a County Commissioner in Missoula County, MT. Jamie Grabinski, the Lead Grant Accountant, serves as the Pre-award Administrator and Fiscal Administrator for grants in the Finance Department. Her responsibilities include overseeing pre-award administration, financial management of contractual agreements, grant awards, and sub-awards. She will be responsible for the financial reporting associated with this grant. Chief Civil Deputy County Attorney Erin Arnold will serve as the County's legal counsel on the project. Erin has worked for the County for over 10 years and brings substantial experience in contract and Montana civil law.

Gallatin County has extensive experience managing grants and subawards. The Grants Division of the Finance Office currently manages 18 state grants and 55 federal grants. Efficient, accurate accounting and budget reporting are essential in contract management, and the Finance Office has an established history of managing grant-funded contracts. The Grants Department conducts annual sub-recipient monitoring and follows the guidance of 2 CFR 200 as a baseline for all grants.

Lila Fleishman is the Community Development Director for HRDC. Lila began her role in Community Development in April 2019. Prior to that, she held diverse roles with startups in civic innovation, tackling challenges both locally and globally. Lila has a BA in Human Geography with a focus on urban planning and sustainability from the University of North Carolina. She is inspired to work at HRDC because of the creativity and dedication of her colleagues who take ownership of community concerns, both big and small. In addition to her work at HRDC, Lila serves on the Bozeman Affordable Housing Working Group.

Renata Munfrada is the Community Housing Program Coordinator for the City of Bozeman. She is responsible for the administration, coordination, research and implementation of policies and programs related to community housing in the City of Bozeman including budgeting and reporting, resource management, public education and engagement, and preparing and implementing related grant applications. Renata develops the City's affordable housing program, manages relationships with community partners, identifies and executes needed studies to enable the City to make informed decisions about the affordable housing program, and assists with urban renewal projects as they relate to community housing. She develops compliance

procedures for local housing projects and funds, researches grant funding opportunities and assists with grant writing proposals, as well as develops and implements strategic plans for housing resources, including the Annual Action Plan, Comprehensive Housing Plan, and HUD Consolidated Plan.

Susan Riggs, AICP, is the owner of Groundprint, LLC. Groundprint is a Bozeman, Montana based consulting firm that specializes in planning, land use regulations, entitlements and urban design. Susan has been hired as a consultant to assist the County with this project. Susan has uniquely experienced the public, private and non-profit sectors over the past 20+ years. She gained extensive experience in the private sector focusing on site and neighborhood design, master planning, municipal and county entitlements, design review programs, feasibility studies and technical assistance grants. Prior to that, Susan worked for the City of Bozeman Department of Community Development where she developed a strong knowledge of the complexities of implementing land use regulations and municipal plans through managing both current and long range planning projects including site plans, conditional use permits, annexations, zone text/map amendments, growth policy map amendments, subdivisions and planned unit developments. With a degree in Urban & Environmental Planning from the University of Virginia School of Architecture, Susan advocates for the Jeffersonian spirit of community and has served on the North 7th Urban Renewal Board, the Gallatin County Planning Board and Team Greater Gallatin which traveled to Fort Collins for a Community Builders Workshop. Susan currently serves on the Board of Directors for Random Acts of Silliness and for HRDC's Qualified Active Low Income Community Business (QALCB).

Prior to starting United Housing, Tyson spent twelve years as an owner and developer at Wishcamper Development Partners LLC and its many related companies (collectively the "Wishcamper Companies") specializing in affordable housing development throughout the United States. Wishcamper Companies has developed over 16,000 units across 23 states since 1970. Tyson has developed affordable housing in seven states, been a partner in over 4,000 units of affordable housing and served as the primary developer on some of the Wishcamper Companies' largest and most complex LIHTC developments.

Team member, Lauren Moore also comes to UHP from the Wishcamper Companies and has twelve years of experience in affordable housing development. Lauren has also worked on multiple affordable housing projects in Montana including most recently, River Run Apartments in Great Falls, and Fire Tower Apartments and East Park Villas in Helena. She has deep experience with multiple affordable housing financing programs including city-specific Housing Trust Funds, National Housing Trust Funds (NHTF), HOME Funding, Tax Increment Financing (TIF), Affordable Housing Program (AHP), state and federal LIHTCs, tax exempt bonds, and Community Development Block Grants (CDBG).

Seth O'Connell is a developer that recently joined UHP. He has over seven years as a real estate professional, has worked on several large commercial deals, and is known as a solutions-oriented

leader with a knack for building relationships, meeting project demands, and getting things done on deadline. Seth oversees much of the implementation for UHP projects and is working as the primary liaison between the developer and the community on a nearby project in Helena.

UHP subcontracts North Fork Development as a consultant used with the implementation, oversight, and auditing of federal funds. North Fork's Andrew Chanania has over a decade of experience in community development and affordable housing. Half that time was spent administering federal block grants for the Department of Commerce. As a development partner, North Fork focuses primarily on procurement, implementation, regulation, and federal law in his management of grant funding for UHP and other partner's projects. To date, Chanania has helped secure over \$6 million in National Housing Trust Funds, \$4 million in State HOME grants, and \$200,000 in CDBG entitlement dollars.

### **Capacity & Experience**

City and County staff have the capacity to manage this project with their credentials detailed above. A bulk of the work for Phase 1 of the project will be done by our partners at UHP, so this section will focus on their capacity and experience with similar projects.



Stillwater Crossing is a 240-apartment project in Bend, Oregon with amenities that included a splash pad, a modern clubhouse with a gym, meeting space, bike repair shop and multiple walking paths. The project was funded with LIHTC, tax exempt bonds, and HTFs and restricted entirely to tenants earning under 60% of AMI. Tyson O'Connell was the lead developer overseeing the project.



Beaverton was another project worked on by UHP staff, contractors, and consultants. It is a 164-home apartment complex developed using LIHTC, TIF, and tax-exempt bonds, and restricted to seniors and families earning between 30-70% of AMI.



Lincoln Tower is a 95-unit apartment complex of one bedroom apartments in Salt Lake City, Utah. The property benefits from a Project-Based Section 8 Housing Assistance Payment (HAP) contract for 100% of the units. The preservation was financed with tax exempt bonds, Low Income Housing Tax Credits, Salt Lake Home Funds, and Salt Lake City Housing Trust Funds. Tyson O'Connell was the primary developer.



Fire Tower Apartments is a 44 apartment project located in the heart of downtown Helena. The project was originally constructed in 1981 as mixed income and market rate housing. In 2020, the project was purchased and rehabilitated by Wishcamper Development Partners and it is now 100% affordable with a Housing Assistance Payment (HAP) Contract on 31 of the apartments. The project was financed with Low Income Housing Tax Credits, a Multifamily Coal Trust Loan, and National Housing Trust Funds. Tyson O'Connell was the primary developer who structured the financing and completed the project that provides critical affordable housing and revitalized a key part of downtown Helena.



# Exhibit F: Leverage

**i. Are you leveraging other funding or non-financial contributions?**

Gallatin County and partners have embarked on a remarkable initiative, strategically leveraging a diverse array of funding sources to navigate the challenges posed by escalating construction costs and the highest interest rates witnessed in two decades. With a judicious allocation of resources, including land donation by the County, \$2 million in ARPA funds from the County, a \$500,000 pre-development loan from the County, \$1.5 million from national housing trust funds, plans to apply for up to \$750,000 in a CDBG grant, and a substantial infusion of nearly \$13 million in LIHTC equity between the 4% and 9% projects demonstrates a visionary approach to sustainable urban development. By maximizing the utilization of these funds, the project not only ensures its financial viability but also allows maximum leverage of the Pro Housing Grant, which provides only 6% of the financial sources for the project. Hence, the \$1.5 million Pro Housing Grant will be leveraged over 15 times with other funds. This underscores a commitment to creating affordable housing options in one of the region's most challenging markets.

This concerted effort aims to yield substantial results, not only in terms of maximizing the number of dwellings but also in increasing the availability of low-income homes. By bringing together diverse stakeholders, this project has cultivated a collaborative environment focused on delivering tangible outcomes for the community. The meticulous planning and resource allocation signify a dedication to addressing the pressing issue of housing affordability in Bozeman. Moreover, the project's innovative public-private partnership extends beyond traditional funding sources.

In essence, this project stands as a beacon of innovative urban development, demonstrating the power of collaboration and strategic financial management. By combining various funding streams, engaging with state resources, and maximizing the investment of stakeholders, the project not only addresses the immediate need for affordable housing but also sets a precedent for future initiatives, showcasing the potential for creative solutions amidst challenging economic conditions.

# Exhibit G: Long-term Effect

**i. What permanent, long-term effects will your proposal have? What outcomes do you expect?**

The primary barrier to the development of affordable housing in Gallatin County is availability of land and cost of construction. In today's economic conditions, it is no longer feasible to build stand-alone 4% LIHTC projects using public bonds. Given the limited resources of the state's 9% funding (\$650,000 annual limit per project limit), the majority of projects brought to the Board of Housing are 20-25 dwelling construction or proposals to rehabilitate existing housing in danger of losing affordability restrictions. While these projects are important and have an impact on the state's affordability barriers, the approach cannot even keep up with the shortage, let alone solve the problem. Montana's waiting lists for affordable housing have grown each and every year.

A better solution requires the formation of development partnerships like the one the County is proposing and developers seeking innovative leverage, such as combining twin 9% and 4% LIHTC equity, layer and leverage additional soft funding from local, state, and federal sources and utilize available government land in meaningful ways.

As described in detail throughout the application and shown in attached site plans, grant-funded activities will include 65 brand new apartments for 30-70% AMI tenants with permanent affordability restrictions, along with eight to twelve for sale homes for residents earning less than 120% AMI, and a subsidized daycare owned by the County that prioritizes the children of low-income families.

The project will also include a third phase that will require an additional 9% LIHTC award. This would likely include an additional 60-65 apartments and possibly the rehabilitation of the existing rest home. These apartments would also be permanently affordable according to deed restrictions. However, the timing and size of Phase 3 are hard to project based on current market conditions and the limited 9% LIHTC funds.

Gallatin County does not have significant environmental challenges, however, all UHP developments are designed in order to be both safe and highly energy efficient. The project will be designed to surpass area snowpack, insulation, and seismic building code standards, incorporate minimal irrigation landscape, utilize drought resistant, native vegetation, and explore various options to recapture and reuse stormwater. There will be covered parking and green spaces, as well as a fitness center and maintenance shop. All homes will include private open space, energy efficient appliances, low-flow toilets, LED lighting, washer and dryer hookups, and air conditioning.

One of the city's largest parks already lies directly across the street from the development, and the project will include cash in lieu upgrades to the amenities of this park as well as a walking path or other integrations to the greater neighborhood connectivity.

The County and its development team see this project as maximizing the impact the land allows by creating a permanent addition of affordable housing to the community. The restrictions put in place by the Land Use Restriction Agreement (LURA) will ensure the property is never converted to market use, and the model will serve as a blueprint for future partnerships of non-profit community organizations, for profit developers, and government agencies in moving the needle forward.

The primary metrics used in evaluating the success of this project, along with determining the final unit mix and bedroom distribution of the eventual third phase, will include two statistics:

1. Reduction of the waiting list for income restricted housing in the County.
2. Increasing the percentage in use of state vouchers.

The County has struggled in recent years to help voucher holders utilize their assistance, as the gap between what HUD will pay and market rent continues to grow. The city of Bozeman has concerns that voucher benefits may eventually be lost, adding further strain to those community members. HRDC and UHP are working in concert with Montana Housing staff in order to try to convert some of these unused vouchers into project based.



### Grant Application Detailed Budget Worksheet

Applicant Name: Gallatin County, MT

3. Travel		Rate per Mile	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
<b>3a. Transportation - Local Private Vehicle</b>		Mileage		\$0.00							
Subtotal - Trans - Local Private Vehicle				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>3b. Transportation - Airfare (show destination)</b>		Trips	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
				\$0							
Subtotal - Transportation - Airfare				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>3c. Transportation - Other</b>		Quantity	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
				\$0							
Subtotal - Transportation - Other				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>3d. Per Diem or Subsistence (indicate location)</b>		Days	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
				\$0							
Subtotal - Per Diem or Subsistence				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>4. Equipment (Only items over \$5,000 Depreciated value)</b>		Quantity	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
				\$0							
<b>Total Equipment Cost</b>				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

### Grant Application Detailed Budget Worksheet

Applicant Name: Gallatin County, MT

5. Supplies and Materials (Items under \$5,000 Depreciated Value)

5a. Consumable Supplies	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
				\$0							
Subtotal - Consumable Supplies				\$0							
5b. Non-Consumable Materials	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
				\$0							
Subtotal - Non-Consumable Materials				\$0							
<b>Total Supplies and Materials Cost</b>				\$0							

6. Consultants (Type)

6. Consultants (Type)	Days	Rate per Day	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
				\$0							
<b>Total Consultants Cost</b>				\$0							

7. Contracts and Sub-Grantees (List Individually)

7a. Contracts	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
				\$0							
Subtotal - Contracts				\$0							
7b. Sub-Grantees (List Individually)	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
				\$0							
Subtotal - Sub-Grantees				\$0							
<b>Total Contracts and Sub-Grantees Cost</b>				\$0							



**Grant Application Detailed Budget Worksheet**

OMB Approval No. 2501-0017  
Expiration: 1/31/2026

Applicant Name: Gallatin County, MT

8. Construction Costs		Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
<b>8a. Administrative and legal expenses</b>				\$200,000						200,000.00		
Subtotal - Administrative and legal expenses												
<b>8b. Land, structures, rights-of way, appraisal, etc</b>												
Subtotal - Administrative and legal expenses												
Subtotal - Land, structures, rights-of way, ...				\$29,200						\$29,200.00		
<b>8c. Relocation expenses and payments</b>												
Subtotal - Land, structures, rights-of way, ...												
Subtotal - Relocation expenses and payments												
<b>8d. Architectural and engineering fees</b>												
Subtotal - Relocation expenses and payments												
Subtotal - Architectural and engineering fees				\$797,300								
<b>8e. Other architectural and engineering fees</b>												
Subtotal - Architectural and engineering fees												
Subtotal - Other architectural and engineering fees												
<b>8f. Project inspection fees</b>												
Subtotal - Other architectural and engineering fees												
Subtotal - Project inspection fees				\$118,500								
Subtotal - Project inspection fees												

**Grant Application Detailed Budget Worksheet**

OMB Approval No. 2501-0017  
Expiration: 1/31/2026

**Applicant Name:** Gallatin County, MT

	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
<b>8g. Site work</b>											
On site and Off Site			\$2,000,000	\$750,000.00			\$984,415		\$ 265,585.00		
Subtotal - Site work				\$750,000	\$0		\$984,415	\$0	\$265,585	\$0	\$0
<b>8h. Demolition and removal</b>	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
				\$0.00							
Subtotal - Demolition and removal				\$0	\$0		\$0	\$0	\$0	\$0	\$0
<b>8i. Construction</b>	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Hard Construction - Contractor TBD upon solicitation			\$12,117,717	\$750,000.00			\$10,364,551	\$482,366.00	\$520,800.00		
Subtotal - Construction				\$750,000	\$0		\$10,364,551	\$482,366	\$520,800	\$0	\$0
<b>9j. Equipment</b>	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
FFE			\$50,000					\$ 50,000.00			
Subtotal - Equipment				\$0	\$0			\$50,000	\$0	\$0	\$0
<b>9k. Contingencies</b>	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Construction, Engineering, Architectural, Financing			\$1,512,330	\$0.00				1,512,330.00			
Subtotal - Contingencies				\$0	\$0			\$1,512,330	\$0	\$0	\$0
<b>9l. Miscellaneous</b>	Quantity	Unit Cost	Estimated Cost	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income
Subdivision and Review			\$65,000	\$0.00				65,000.00			
Subtotal - Miscellaneous				\$0	\$0			\$65,000	\$0	\$0	\$0
<b>Total Construction Costs</b>			\$17,090,047	\$1,500,000	\$0	\$0	\$12,264,766	\$2,309,696	\$1,015,585	\$0	\$0



**PROPERTY SUMMARY**

9/30/2023

**CRITICAL DRIVERS**

**Unit Mix**

Property Name	Hidden Creek Apartments	4% or 9% LIHTC	9% LIHTC	Unit Type	Number	AMI Set-Aside
Street	500 Oak Park Drive	LIFT or GHAP Used?	No	1bd	3	<= 50%
City, State, Zip	Bozeman, MT 59715	Other Soft Money Used?	Yes	2bd -	4	<= 50%
County	Gallatin	Property Tax Exemption?	Yes	3bd -	0	<= 50%
QCT / DDA?	No	Credit Pricing	\$0,850	1bd	27	60%
Year Built	2025	Hard Construction Per-Unit	\$230,092	2bd	10	60%
Total Units	65	Related Party MGMT Company?	No	3bd	0	60%
Proposed LIHTC Units	65	Related Party Construction Co.?	No	1bd	0	80%
<=50% AMI Units	7	Deferred Dev. Fee Paid Off in Yr.	18	2bd	0	80%
AMI Set-Asides	30%, 50%, 60%, 70% AMI	Earth Advantage Green Building	No	3bd	0	80%

**PROFIT & LOSS**

Stabilized Yr. 1	Senior Debt	C: HUD 22104	Contingencies	Resident Services & Amenities
GPR:	\$890,436	7.00%	Construction	\$1,512,331 5% Contingency
Vacancy	-\$62,331	1.46	Construction	\$846,566 Additional Contingency before hard pricing
Other Income	\$39,984	40	Interest Rate	\$553,526 50 bps on 8/23/23 quote Greystone
Net Revenue	\$868,089	Yes	Interim Income	\$0 * Not Updated in Draw Tab
Op. Expenses	\$412,858	HFA Collateralized	Earn Out	\$0 none on 3/20/23 quote
Op. Exp. PUPY	\$6,352	No	Soft Costs	\$100,000 Static Contingency
NOI	\$455,231	No	Other	Static Number
			Total	\$3,012,423

**SOURCES & USES SUMMARY**

SOURCES OF FUNDS	Total	Per-Unit	% Total	4% Project	9% Project	Total	Per-Unit	% Total	4% Project	9% Project
First Mortgage	\$4,175,656	\$64,241	17.5%	\$3,890,345	\$285,311	\$52,600	\$809	0.2%	\$38,034	\$14,566
Subordinate Mortgages	\$0	\$0	0.0%	\$0	\$0	\$17,583,108	\$270,509	74.8%	\$12,713,785	\$4,869,483
ARPA	\$2,000,000	\$30,769	8.4%	\$2,000,000	\$0	\$1,173,000	\$18,046	5.0%	\$848,169	\$324,831
National HTF	\$1,559,697	\$23,995	6.5%	\$1,559,697	\$0	\$598,002	\$9,200	2.5%	\$564,700	\$33,802
Montana Healthcare Loan	\$0	\$0	0.0%	\$0	\$0	\$282,061	\$4,032	1.1%	\$189,491	\$72,571
CD8G	\$750,000	\$11,538	3.1%	\$750,000	\$0	\$406,055	\$6,247	1.7%	\$406,055	\$0
Pro Housing	\$1,500,000	\$23,077	6.3%	\$1,500,000	\$0	\$147,581	\$2,270	0.6%	\$106,712	\$40,869
LIHTC Equity (Federal)	\$12,925,190	\$198,849	54.2%	\$7,046,630	\$5,878,560	\$202,875	\$3,121	0.9%	\$146,694	\$56,181
LIHTC Equity (State)	\$0	\$0	0.0%	\$0	\$0	\$208,868	\$3,213	0.9%	\$151,028	\$57,840
HTC Equity (Federal)	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	0.0%	\$0	\$0
HTC Equity (State)	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	0.0%	\$0	\$0
Interim Income	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	0.0%	\$0	\$0
Deferred Dev Fee	\$602,329	\$9,267	2.5%	\$649,945	\$110,288	\$3,035,464	\$46,699	13.9%	\$2,231,448	\$804,016
	\$23,669,615	\$364,148		\$17,395,616	\$6,274,159	\$23,669,615	\$364,148	100.0%	\$17,395,616	\$6,274,159

USES OF FUNDS: Acquisition-Related Costs, Construction-Related Costs, Soft Costs, Carrying Costs - Interest, RE/Tax, First Mortgage Costs, Bond Issuance Costs, Subordinate, Constr. Loan Costs, Equity & LIHTC-Related Costs, Reserves & Escrows, Resident Services Reserve, Not Used, Not Used, Max Developer Fee

October 17, 2023

City of Bozeman  
121 N Rouse Ave.  
Bozeman, MT 59718

RE: Intent to Participate

This letter is to confirm the mutual intent of Gallatin County, the City of Bozeman, United Housing Partners, and Human Resource Development Council IX to collaborate on the Hidden Creek Homes project for the United States Department of Housing and Urban Development Pathways to Removing Obstacles to Housing competition, to carry out eligible activities as provided in Gallatin County's PRO Housing application.

The Bozeman City Commission has consistently identified affordable housing as a top strategic priority. The Bozeman Community Plan establishes goals to increase the supply of affordable housing in the city. The plan reflects a commitment to equity, community, and taking meaningful actions to address significant disparities in housing needs and in access to opportunities, maintaining compliance with civil rights and fair housing laws, and fostering inclusive communities free from barriers that restrict access to opportunity.

The partnership framework is based on the recognition that no one entity can solve the local housing challenges. Gallatin County will serve as the grantee, providing grant and fiscal management, award administration, and will provide legal counsel. United Housing Partners will serve as the development partner, HRDC will serve as the nonprofit partner, and the City of Bozeman will serve as the local municipal partner.

The PRO Housing grant is necessary to make the Hidden Creek Community a reality. This project demonstrates clear alignment with the priorities and goals of the County, the surrounding neighborhood, and the City of Bozeman.

Sincerely,



Renata Munfrada  
Community Housing Program Coordinator  
City of Bozeman



UNITED HOUSING PARTNERS

October 18, 2023

U.S. Department of Housing and Urban Development  
C/O Jessie H. Kom  
CDBG-PROHousing@hud.gov  
Community Planning and Development  
451 7th Street SW, Room 7282  
Washington, DC 20410

RE: Pathways to Removing Obstacles to Housing (PRO Housing) Applications

Dear HUD staff:

United Housing Partners (UHP) submits this letter in support for Gallatin County's (the County's) proposed Hidden Creek Community as a valuable candidate for Pathways to Removing Obstacles to Housing (PRO Housing) grant funding.

As UHP's principal and lead developer, I have over twelve years of experience developing affordable housing throughout the country and first-hand experience working on affordable housing challenges throughout Montana, where I was born and raised. UHP is headquartered in Missoula, Montana and several of our team members and consultants also operate at Wishcamper Development Partners LLC. Together, our team has over 20 years of combined experience in LIHTC and affordable housing development. We understand the challenges of developing affordable housing in the current market all too well.

UHP will serve as the lead developer in the County's development team for this project, and our pre-development research and conversations have given us significant insight into the various levers and challenges unique to Gallatin County and, more specifically, the city of Bozeman. I have reviewed the application materials and narrative assembled by the County and attest to the impact these funds will have in closing the significant financial gap in the project's feasibility. These PRO Housing funds are essential to make this project possible, and Hidden Creek Community will leave a lasting impact on removing affordable housing barriers in Gallatin County and Bozeman.

I understand Bozeman is not alone in the need for this type of gap funding to make affordable housing a reality, and I am not envious of HUD's responsibilities in prioritizing the worthiest projects for these highly impactful, yet likely oversubscribed funds. I do want to point out that this project is not hypothetical. We have a very motivated applicant with a proposal that has been well vetted. Second, UHP believes Hidden Creek Community will be hard to beat based on size when it comes to providing 'bang for HUD's buck' in the development of permanently affordable dwellings, especially when considering it will ultimately create a daycare, 10 permanently affordable for sale homes in a land trust and 120+ permanently income-restricted apartments. This permanent affordability goes far beyond the typical affordability term for LIHTC housing and also includes apartments to serve residents earning 30% or less of the area median income (AMI).



UNITED HOUSING PARTNERS

Most importantly, this project serves as a potential blueprint for future private / public partnerships to follow in finding solutions to the number one issue most communities are currently facing – the removal of barriers to developing and expanding affordable housing options.

I am grateful for your consideration of this project for HUD PRO Housing approval.

Sincerely,

Tyson O'Connell  
United Housing Partners LLC – Offices in Missoula and Helena, Montana  
PO Box 5669  
Missoula, MT 59806  
[www.uhousingpartners.com](http://www.uhousingpartners.com)  
[Tyson@uhousingpartners.com](mailto:Tyson@uhousingpartners.com)  
406-531-4745



October 18, 2023

Gallatin County Commission  
C/O Nicole Rowley  
Deputy County Administrator  
311 W. Main St.  
Room 306  
Bozeman, MT 59715  
United States

Re: Intent to Participate

This letter is to confirm the mutual intent of both Gallatin County (the County) and United Housing Partners (UHP) to collaborate and enter into a development agreement, contingent upon the award of funds from the United States Department of Housing and Urban Development for the Pathways to Removing Obstacles to Housing (PRO Housing) competition, to carry out eligible activities as provided in the County's PRO Housing application.

UHP agrees to serve as the lead developer in the proposed Hidden Creek Community development on the undeveloped portion of the current county rest home property located at 1221 Durston Road in Bozeman. As the lead developer, UHP will lead efforts to have the property appropriately subdivided for a Low Income Housing Tax Credit (LIHTC) development, community land trust (CLT), and daycare facility, as well as underwriting the financing and building and carrying out budgetary responsibilities for the infrastructure. UHP will also be responsible for securing the LIHTCs on the twinned 9%-4% LIHTC development.

It is understood that this letter is only an expression of our intent and a binding development agreement detailing the terms and conditions of the proposed partnership must be executed before the use of any PRO Housing funds, if awarded.

Sincerely,

Tyson O'Connell  
United Housing Partners LLC  
PO Box 5669  
Missoula, MT 59806  
[www.uhousingpartners.com](http://www.uhousingpartners.com)  
[Tyson@uhousingpartners.com](mailto:Tyson@uhousingpartners.com)  
406-531-4745





**BUILDING A  
BETTER  
COMMUNITY**

thehrdc.org

October 20, 2023

RE: Intent to Participate



e: hello@

This letter is to confirm the mutual intent of Gallatin County, the City of Bozeman, United Housing Partners, and Human Resource Development Council IX to collaborate on the Hidden Creek Homes project for the United States Department of Housing and Urban Development Pathways to Removing Obstacles to Housing competition, to carry out eligible activities as provided in Gallatin County's PRO Housing application.

The Bozeman City Commission has consistently identified affordable housing as a top strategic priority. The Bozeman Community Plan establishes goals to increase the supply of affordable housing in the city. The plan reflects a commitment to equity, community, and taking meaningful actions to address significant disparities in housing needs and in access to opportunities, maintaining compliance with civil rights and fair housing laws, and fostering inclusive communities free from barriers that restrict access to opportunity.

The partnership framework is based on the recognition that no one entity can solve the local housing challenges. Gallatin County will serve as the grantee, providing grant and fiscal management, award administration, and will provide legal counsel. United Housing Partners will serve as the development partner, HRDC will serve as the nonprofit partner, and the City of Bozeman will serve as the local municipal partner.

The PRO Housing grant is necessary to make the Hidden Creek Community a reality. This project demonstrates clear alignment with the priorities and goals of the County, the surrounding neighborhood, and the broader community.

Sincerely,

Lila Fleishman  
Community Development Director  
HRDC, IX

p: 406.587.4486

e: hello@thehrdc.org

a: 32 South Tracy  
Bozeman, Montana 59715

**HRDC**  
BUILDING A BETTER COMMUNITY



10/20/2023

Tyson O'Connell  
United Housing Partners LLC  
Principal  
545 Blaine St  
Missoula, MT 59801

Re: Hidden Creek Apartments 4% (the "Project")

Dear Mr. O'Connell:

The purpose of this letter is to provide an indication of interest from Enterprise Housing Credit Investments, LLC (Enterprise) for providing equity, through an investment fund which would be formed by Enterprise, to the Project.

Enterprise is one of the leading syndicators of Low-Income Housing Tax Credits ("LIHTC"). Since the enactment of the federal Low-Income Housing Tax Credit program in 1986, Enterprise has raised more than \$18 billion in equity for the development of low-income housing.

This letter of interest is based on a preliminary review of the information provided by you. This information indicates that the Project would generate, at this time, an annual Low-Income Housing Tax Credit allocation of approximately \$835,073.

The pro forma presented to Enterprise as part of the preliminary submissions indicates pricing in the range of \$0.85 on the federal tax credit dollar. Based on this assumption, the Project would generate an equity investment in the amount of \$7,097,412. This estimate of pricing appears supportable if the transaction were to close today. The equity markets continue to be volatile and unpredictable; therefore, the ultimate ability of Enterprise to commit to pricing on this transaction will be determined by investor yield requirements and the availability of capital much closer to the time of closing.

As soon as you have received a reservation of tax credits, please contact us so that we can continue the underwriting of this project and, if appropriate, negotiate a commitment letter.

Sincerely,

A handwritten signature in blue ink that reads "Brian Windley".

Brian Windley  
Vice President, Syndication