

# Housing Task Force - Phase III Assignment #1

Montana Housing Development Successes and Challenges From ~2020 to Present

## Case Study Examples of Montana Housing Development **Successes\***

2/9/2024

# (submitter)	Development Name	Location (city and county)	Type of Development (single-family, multiplex subdivision, other)	Number of Units (quantity)	Permit Footprint (acres)	Discussion (key factors)
1 (Mike S.)	Riverview Apartments	Big Sky / Gallatin- Madison	Low Income Multifamily	25	1.09	Lender working with borrower regarding <u>interest rates</u> during a period of rapid rate fluctuation. Multiple Sources of support: \$1.5M MBOH Coal Trust Low Interest Loan, \$500k Magnet Loan, \$1.2M Big Sky Resort Tax Funds, ARPA Funda, Big Sky <u>Community Land Trust</u> purchase of the property.
2 (Mike S.)	MRM Unified Campus	Billings / Yellowstone	Low Income Housing Multi- family and Homeless Shelter	29 (160 beds)	1.347	Lender working with borrower regarding <u>interest rates</u> during a period of rapid rate fluctuation. Multiple Sources of support: ARPA Funds, TIF Grants and \$12M in Foundation/Grants and Campaign funds to cover multiple cost increases.
3 (Mike S.)	Arrowleaf / Perennial Apartments	Bozeman / Gallatin	Low Income Housing Multifamily with Clinic and Daycare	232	16.17	Lender working with borrower regarding <u>interest rates</u> during a period of rapid rate fluctuation. Multiple Sources of support: Bozeman discount for permit fees and assistance with the construction of the Low-Income Clinic and Daycare.
4 (Mark E.)	Bridger View	Bozeman / Gallatin	Detached and attached homes, 1, 2, and 3- bedroom; for purchase	62 (31 market rate, 31 Affordable units for purchase)	8	Created 31 permanently affordable units utilizing a <u>long-term ground lease</u> managed by Headwaters Community Housing Trust. (In the first weighted drawing, over 250 residents sought 11 Affordable homes.)

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						<p>Some Affordable homes are partially funded through an <u>Employer Assistance program</u>. Employers cover a portion of the capital gap in exchange for securing an employee's opportunity to purchase a subsidized unit.</p> <p>Bozeman's market produces few starter homes. <u>Federal funding</u> contributes significantly to creation of subsidized rentals, but no federal or state funding exists to aid creation of attainable starter homes. <u>Private philanthropy</u> provided crucial funding to produce these units. The capital gap for future affordable units could be met through a combination of state and local support and capital provided by employers addressing their retention and recruitment needs.</p> <p>Bozeman approved 19 <u>relaxations of its current development code</u> (reduced lot sizes, road widths, setbacks, etc.) so Bridger View could construct 62 homes instead of 35 allowed by its code.</p>
5 (Mark E.)	Family Promise of Gallatin Valley	Bozeman / Gallatin	Adaptive Reuse Multifamily Residential	47 (rental units)	2	Total project cost: \$7.4m, including \$1m in funding from <u>Gallatin County Housing Impact Fund</u> . Funding sources: local bank, philanthropy.

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6 (Mark E.)	North 3 <sup>rd</sup> and Peach Apartments	Bozeman / Gallatin	New Construction Multifamily Residential	216 (affordable rental units)	6	Total project cost: \$69m. Funding sources: national bank, LIHTC. City of Bozeman shallow Affordable Housing incentives used for height, parking reduction. Coordinated utility upgrades. \$1.5m from Gallatin County Housing Impact Fund provided critical <u>bridge</u> to complete funding stack.
7 (Mark E.)	Lumberyard Apartments	Bozeman / Gallatin	New Construction Multifamily Residential	155 (mix of affordable / market rate rental units)	9.45	Total project cost: \$50m. Merchants Bank, LIHTC, Montana Housing. \$2.5m from Gallatin County Housing Impact Fund. Used City of Bozeman “shallow” affordable housing incentives for <u>height bonus</u> .
8 (Emily H.)	[ <i>Bozeman Unified Development Code Update</i> ]	Bozeman / Gallatin	x	x	x	The draft UDC would carry out many <u>policy objectives</u> that the housing task force has identified, including both allowing more, less expensive housing to be built and moving resident participation to the front of the planning process while <u>issuing by-right permits</u> for projects that comply with the UDC. One issue is that the Bozeman’s Mayor and Commission have decided to hold next steps on the draft UDC to gather more <u>community input</u> . It’s also worth learning more about how <u>state laws</u> like SB 382 are affecting the Bozeman process.
9 (Mark E.)	South Montana Street Fourplex	Butte / Silver Bow	Historic Preservation Multifamily Residential	4 (rental units)	0.8	<u>Rehab</u> of previously vacant building within Butte’s Urban Renewal Authority district. Project made possible through <u>direct grants</u> from URA (~8% of project budget) and URA bridge loan (~16% of project budget) in second position behind commercial loan from local bank.

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10 (Joe M.)	Milwaukie Apartments	Great Falls / Cascade	Multi-Family / Patio Style Apts	121	4.74	Successful partner with the city for a <u>rezoning</u> and <u>public park easement</u> .
11 (Joe M.)	West Ridge Subdivision	Great Falls / Cascade	Single Family Sub. /Multi-Family	Phase 9 - 28 Ph. 10 - 70	20.31	Planned Unit Development (PUD) <u>Zoning</u>
12 (Joe M.)	Meriwether Crossing	Great Falls / Cascade	Single Family Sub. / Multi-Family	83	21.04	Planned Unit Development (PUD) <u>Zoning</u>
13 (Emily H.)	Westside Woods	Helena / Lewis and Clark	Subdivision	172	58	This is the first major development approved in Helena in decades. It's worth learning what had been holding back development approvals in Helena, if <u>state laws</u> affected this approval, and how future approvals could be <u>streamlined</u> .

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14 (Kendall C.)	[City of Helena – Policies and Plans]	Helena / Lewis & Clark	Single-family, multi-family  “Three quarters of those units are single-family residences, with 11% listed as duplexes and 15% listed as multi- family units.”	1,578	x	<p>“city commission action over the past four years since the writing of the <u>2019 Growth Policy</u> has resulted in nearly 1,600 housing units either built or committed to within city limits.”</p> <p>Map of approvals here: <a href="https://www.arcgis.com/apps/dashboards/8ffc835eafa141019ad25b76472d7506">https://www.arcgis.com/apps/dashboards/8ffc835eafa141019ad25b76472d7506</a></p> <p>The commission notes that these unit approvals were the result of “city annexations, subdivision approvals, rezonings, financial contributions and conditional use permits”</p> <p>The 1,578 figure does not include “<u>redevelopment projects and use-by-right projects not requiring commission approval.</u>”</p> <p>Further study is needed to identify how to move these 1,576 unit approvals from conditional approvals to by-right approvals, speeding up the process and <u>reducing administrative burden.</u></p>
15 (Mike S.)	Junegrass Place	Kalispell / Flathead	Low Income Multifamily	138	5.87	Lender working with borrower regarding <u>interest rates</u> during a period of rapid rate fluctuation. Low interest funds from the MBOH Coal Trust Funds, Kalispell City Support.
16 (Mike S.)	Trinity Apartments	Missoula / Missoula	Low Income Housing Multifamily with Services Center	202	7.07	Lender working with borrower regarding <u>interest rates</u> during a period of rapid rate fluctuation. Multiple Sources of Support-Use of Missoula and State HOME funds, Housing Trust Funds, City of Missoula Land Contribution, Missoula CIP/MRA

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						Grant and County Grant to cover multiple cost increases.
17 (Cheryl C.)	Trinity – Blue Heron Place	Missoula / Missoula	x	30	x	<p>Blue Heron Place is a 30 permanent supportive homes within Trinity. Service providers and housing developers stretched and expanded on what Homeword Inc. normally does, theorizing that providing permanent supportive housing would work in Missoula as it has in other mountain west and northwest US communities. Blue Heron Place and these other projects have confirmed it works.</p> <p>However, Homeword Inc. has only finite amount of funds filling gaps between <u>billable work</u> and <u>cost of services</u>. There are <u>policy changes</u> necessary to help cover this gap, more refined <u>billing practices</u> by providers, changes in the understanding of the housing resources as to how to use <u>cashflow for services</u> if necessary. Again, this is an excellent example of a success story that also involves significant challenges.</p>
18 (Danny T.)	The Hogan	Missoula / Missoula	Multifamily	36	x	<p>New 55+ development in Riverfront neighborhood adjacent to downtown Missoula. The city code granted <u>flexibility on mandatory parking requirements</u> for this specific project, meaning the builder was able to provide more units and work out an agreement with a nearby church on allowing residents to lease spots there if needed. Project would be much smaller and more expensive if the developer was forced to build more on-site parking.</p>

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19 (Nathan D.)	Trailview Homes  (NW Montana Community Land Trust Portion)	Whitefish / Flathead	Single-Family / Townhomes	3 (2023) 6-12 (2024) 12 (2025)	x	Layering <u>private donations</u> with federal / state funds and manageable mortgages for homebuyers makes home ownership accessible for people in the 60% to 120% AMI range. When NWMTCCLT <u>purchases the land</u> and allows homeowners to buy just the home and assists them to access HOME-HBA funds and LIFT loans combined with keeping real estate agent/lender/title fees low, home ownership is possible. Also required are “patient” sellers who might be willing to sell below the market rate.
20 (Nathan D.) (Emily H.)	Alpine 93/40	Whitefish / Flathead	Multifamily / Mixed Use	210 (multifamily and 15,000 square feet of commercial space)	11.6	<b>Nathan:</b> SB 245 was a key to its success and instrumental in expediting the process through the city of Whitefish. One of the challenges faced was that as a result of its recent implementation there was a general lack of knowledge / understanding of its ramifications to the existing city’s <u>zoning policies</u> .  <b>Emily:</b> SB 245 appears to have played a role in the Whitefish City Council voting to approve a significant increase in its supply of multifamily housing. It’s worth ensuring that local policymakers understand what the <u>state law requires</u> and that they are implementing <u>zoning reforms</u> to comply with it.
21 (Emily H.)	808 Edgewood Place	Whitefish, Flathead	Multifamily	42	1.66	SB 245 appears to have played a role in the Whitefish City Council voting to approve a significant increase in its supply of multifamily housing. It’s worth ensuring that local policymakers understand what the <u>state law</u>

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22 (Emily H.)	<i>[Whitefish Landscaping Requirements]</i>	Whitefish / Flathead	Duplexes	x	x	The Whitefish City Council voted down a proposal to establish <u>landscaping requirements</u> that would have applied to duplexes but not single-family houses, citing SB 323. It's worth investigating similar proposals elsewhere to ensure compliance with state law.

\*Success is defined broadly in terms of relative time to completion, meeting the budget, resource availability, and/or other criteria.

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