

Memorandum

REPORT TO: City Commission

FROM: David Fine, Economic Development Manager
Brit Fontenot, Economic Development Director

SUBJECT: Authorize the City Manager to sign a Gallatin Housing Impact Fund Grant Agreement with Neighborworks Montana in support of the Hidden Creek Affordable Housing Project

MEETING DATE: March 25, 2025

AGENDA ITEM TYPE: Grant

RECOMMENDATION: **Consider the Motion:** *I move to authorize the City Manager to sign the Grant Agreement with Neighborworks Montana.*

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

BACKGROUND: Hidden Creek Apartments is a 182 dwelling, affordable apartment complex, including 40 units reserved for tenants earning 30% or less of Area Median Income (AMI), to be built on the undeveloped northern half of the Gallatin Rest Home located at 1221 Durston. The City Commission previously voted to provide \$2 million in financial support to the Hidden Creek Apartments project. The most effective way to contribute these funds to a low income housing tax credit (LIHTC) project is to loan the funds into the project. Neighborworks Montana (NWMT) is a community development financial institution (CDFI) that manages the Gallatin Housing Impact Fund, which is designed to provide gap financing to projects in Gallatin County. The City of Bozeman's initial \$1,000,000 facilitated an initial total of \$4,000,000 being lent to projects in Bozeman, by harnessing private investments in the fund. The City's new contribution will remain in the fund after it is repaid and can continue to support community housing projects for years to come. NWMT's expertise in underwriting and servicing loans protects the City's investment in this project and prevents the City from needing to develop these competencies in house.

UNRESOLVED ISSUES: None at this time.

ALTERNATIVES: As suggested by the City Commission.

FISCAL EFFECTS: The grant is payable from available funds allocated to housing projects in the

adopted Fiscal Year 2025 Budget for the Community Housing Fund. The total amount of the grant is \$2,000,000.

Attachments:

[Bozeman Grant Agreement v1 2025.docx](#)

[Community Housing Fund_Structure and Offer_April 2023.pdf](#)

[Gallatin Housing Impact Fund_Loan Program Term Sheet.pdf](#)

[Charter for Gallatin Housing Impact Fund Advisory Board.pdf](#)

Report compiled on: March 11, 2025