

Memorandum

REPORT TO: City Commission

FROM: Jamie Grabinski, Procurement Coordinator
Chris Saunders, Community Development Manager
Aaron Funk, Controller
Melissa Hodnett, Finance Director

SUBJECT: Authorize City Manager to Approve Subrecipient Agreement from the Montana League of Cities and Towns for U.S. Department of Housing and Urban Development (HUD) Pro Housing 2 Funds for the City of Bozeman to Comply with the Montana Land Use and Planning Act (MLUPA)

MEETING DATE: August 18, 2026

AGENDA ITEM TYPE: Grant

RECOMMENDATION: Authorize City Manager to Approve Subrecipient Agreement from the Montana League of Cities and Towns for U.S. Department of Housing and Urban Development (HUD) Pro Housing 2 Funds for the City of Bozeman to Comply with the Montana Land Use and Planning Act (MLUPA).

STRATEGIC PLAN: 1.3 Public Agencies Collaboration: Foster successful collaboration with other public agencies and build on these successes.

BACKGROUND:

The City undertook an update to Chapter 38, Unified Development Code, in 2022 to further comply with the adopted growth policy (land use plan) from 2020. Midway through that work, the MT Legislature adopted the Montana Land Use Planning Act (MLUPA) which replaced all prior land use planning, subdivision, and zoning enabling authority for the City. A timeline for compliance with requirements of the new legislation was included in the legislation and compelled the City to make revisions to the scope of the code update project.

The Montana Department of Commerce (MT DoC) and Montana League of Cities and Towns (MLCT) pursued a PRO-Housing 2 grant from the US Department of Housing and Urban Development (HUD) to help defray costs for eleven (11) Montana communities implementing MLUPA. Eligible costs include expenses from both land use planning and regulatory update work for MLUPA compliance.

A total of \$5 million dollars was awarded by HUD to be distributed to the participating communities. The funds were provisionally divided amongst the eleven (11) communities and Bozeman's portion is \$313,016 to cover

costs incurred on or after August 14, 2024 through December 31, 2026. HUD, MT DoC, and MLCT have been resolving final terms and requirements of the grant. A requirement of receiving the funds is approval of a subrecipient agreement and provision of supporting documentation of qualified expenditures. This action item addresses the requirement for completion of the subrecipient agreement.

UNRESOLVED ISSUES: None.

ALTERNATIVES: As suggested by Commission.

FISCAL EFFECTS: Total expenditures are expected to be \$313,016. Expenditures are included in the Community Development Budget.

Attachments:

[ProHousing_2_Planning_Subaward_Agreement - Bozeman.docx](#)

Report compiled on: March 26, 2026