

**City of Bozeman**  
**Workforce Housing Fund Funding Request Application**

**Organization Seeking Funding**

Organization Name: Human Resource Development Council of District IX, Inc. (HRDC)  
Address: 32 South Tracy, Bozeman, MT 59715  
Contact Phone Number: 406-585-4890 Contact Email Address: tmenuez@thehrdc.org

**Project Information:**

Project Name: Willow Springs Townhomes Phase 2  
Location of Project: Georgia Marie Lane, Units 2777, 2780, 2781, 2784, 2785, 2788, 2791, 2792, 2795, 2796, 2797, 2798

Project Description\*: The Willow Springs townhomes provide a total of 24 homes affordable to households earning 70% of the Area Median Income, held affordable in perpetuity via a Community Land Trust. The first phase of this project, consisting of 12 homes, will be completed in June 2020, with all homes under contract. The City contributed \$20,000 per home in Phase 1 in order to achieve permanent affordability. Phase 2 consists of an additional 12 homes, affordable at 70% AMI and affordable in perpetuity in HRDC's Community land trust.

\*Attach project documents if desired.

Project Timing: Currently under construction, scheduled to be completed February 2021.

Which Community Housing Action Plan strategy / action item does this project address?:  
Creation of Community Land Trusts homes

# Affordable Dwelling Units to be Generated / Renovated: 12

Area Median Income % Targeted: Homes are priced to be affordable to households earning 70% AMI. Households earning up to 120% AMI are eligible to purchase the homes.

Project Partners (if applicable): Montana Department of Commerce, Gallatin County, City of Bozeman

Indicate how this project ensures permanent or long term affordability:

- Deed Restriction \_\_\_\_\_
- Land Trust   x
- Other \_\_\_\_\_



Amount Requested From Workforce Housing Fund: \$240,000

Which Project Elements Will Funds Be Used For? (attach line item budget if needed): see budget above

1. \_\_\_\_\_ \$ \_\_\_\_\_
2. \_\_\_\_\_ \$ \_\_\_\_\_
3. \_\_\_\_\_ \$ \_\_\_\_\_

Type of Funding Requested (circle one): **Grant** / Loan

If you selected Grant, would you consider a Loan if Grant was not available? Yes / **No**  
In our effort to keep this affordable in perpetuity, the amount requested would need to remain with the property in perpetuity. If structured as a loan, the amount due at sale would need to be added to the sales price in addition to the 2% annual appreciation increase, resulting in a home that is immediately less affordable to subsequent purchasers.

Would you accept 50% of your requested amount? Yes / **No**  
In order to achieve affordability at 70%, as required by our PUD, 100% of the funding is necessary. If the amount were to be reduced, it is likely we would explore the funding provided under the AHO to units sold at 70% AMI, which would result in a nearly equivalent request.

Would you accept 25% of your requested amount? Yes / **No**

Could the Grant / Loan be split among multiple years? Yes / **No**

When would the funds requested need to be received in order to optimize the benefit of the funds requested for the project? Following the precedent set in our Phase 1 grant, we propose receipt of grant funds upon occupancy by a qualified individual.

Have you received workforce housing fund assistance in the past 5 years? **Yes** / No

**Additional Information:**

**What additional funding sources have you solicited for this project?**

Between Phases 1 and 2 of the Willow Springs townhomes, HRDC has invested \$1.5 million in NSP developer revenue (from proceeds of our West Edge development). This investment will remain in the development in perpetuity as well. The source of these NSP funds is repayment of previous West Edge loans, which we reinvested into a community housing need. NSP funds were provided to HRDC for West Edge via sponsorship of the CDBG-NSP grant by Gallatin County, funded by the Montana Department of Commerce via pass-through funds from HUD.

**What is the level of urgency behind the funding request?**

Ownership housing for working households has been identified as a critical need in Bozeman in both the current Community Housing Needs Assessment, and in all previous assessments. As more of our friends and neighbors struggle to find housing that is affordable to them, the Willow Springs townhomes meet a critical and urgent community need.

**If Workforce Housing Funds are not allocated to this project, how does impact the project?**

If the requested grant is not provided, HRDC would request the allocation of Workforce Housing funds allowed under the AHO, consisting of impact fee deferral and up to \$10,000 in down-payment assistance. The amount of that request would be slightly less than the \$240,000 requested in this application, however; it would also result in the homes being less affordable for subsequent purchasers, as the amount due at sale would need to be added to the sales price in addition to the 2% annual appreciation increase.