



**City of Missoula, Montana**  
**Item to be Referred to City Council Committee**

**Committee:** Administration and Finance

**Item:** Trinity Affordable Housing Development Bond Resolution

**Date:** October 21, 2020

**Sponsor(s):** Eran Pehan

**Prepared by:** Eran Pehan

**Ward(s) Affected:**

<input type="checkbox"/> Ward 1	<input type="checkbox"/> Ward 4
<input checked="" type="checkbox"/> Ward 2	<input type="checkbox"/> Ward 5
<input type="checkbox"/> Ward 3	<input checked="" type="checkbox"/> Ward 6
<input type="checkbox"/> All Wards	<input type="checkbox"/> N/A

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**Action Required:**

Adopt resolution and schedule a public hearing.

**Timeline and Recommended Motions:**

Referral to committee: October 19, 2020

Committee discussion: October 21, 2020

Council sets public hearing: October 26, 2020

Recommended motion: Adopt a resolution relating to a project on behalf of BlueLine Development, and the issuance of revenue bonds or notes to finance all or a portion of the costs of construction of a multifamily rental housing project commonly known as Trinity Apartments and associated costs under Montana Code Annotated, Title 90, Chapter 5, Part 1, as amended; granting preliminary approval thereto and calling for a public hearing on November 23, 2020.

Public Hearing: November 23, 2020

Recommended motion: Adopt a resolution (use final resolution title—still being drafted by bond counsel)

Deadline: November 23, 2020

**Background and Alternatives Explored:**

The Trinity Affordable Housing Development is a collaboration between Homeword, the Missoula Housing Authority and BlueLine Development. Each organization brings experience and expertise that is necessary to successfully develop and manage these two properties.

This 200-home project will be located on two sites in Missoula. Seventy homes will be located on the Cooley block that was previously Skyview Trailer Park. The Cooley site is zoned appropriately for the apartments that will be built for families and Missoula's workforce. The site on Mullan will be low-threshold homes that people can afford, which means we will accept people as they are and provide a safe, supportive environment. A total of 130 homes, 30 of which will be supportive housing homes with additional rental assistance and target Missoula's long-term unhoused neighbors. The remaining 100 homes will be for individuals and families living below 70% of the area median income, which is below \$41,000 a year for a family of two.

The Mullan Street project will also include a navigation center on site that provides intensive supportive services. Navigation centers are considered a best practice in serving people living unsheltered or in encampments, as it's a proven way to get people off the street and on a pathway to a safe, healthy home and stability; it's a critical part of the solution in Missoula's Homelessness Crisis Response System.

This project will be a tax-exempt bond-financed deal, using 4% Low-Income Housing Tax Credits and tax exempt bonds issued by the City of Missoula. The use of tax credits and tax-exempt bonds allow developers to borrow less money during construction, passing the savings on to individuals and families as lower rents.

This item was before council almost one-year ago and a public hearing was held to adopt a resolution pertaining to the issuance of bonds. Changes in the financing structure have necessitated a new application to the State of Montana to rise the volume cap for the bonds. This in turn necessitates a new resolution from the City of Missoula and a separate public hearing process. The project is still in good standing and moving towards a construction start in the Spring of 2021.

**Financial Implications:**

There are no financial implications for City tax payers for the issuance of these bonds. The bonds are repaid from the proceeds of the tax credits.

**Links to external websites:**