



Homeword

Bluebunch Flats

(and Ouellette Place, and Lenox Flats and the Acme and the Baatz Block
and Crowley Flats...)

Julie Stiteler, Homeword Project Manager

located in Missoula, with adaptive re-use projects located in Missoula, Livingston,
Lewistown, Billings and Great Falls

Bluebunch Flats key partner – The HRDC, (HRDC District IX) located in Bozeman and
Livingston

Project Overview – Bluebunch Flats

- Low Income Housing Tax Credit and ARPA funding – Allocated by Montana Housing, Investor: US Bancorp Community Development Corporation (USB CDC)
- Federal and State Historic Tax Credits – Investor: USB CDC
- HOME Investment Partnerships Program – Montana Department of Commerce, Community Housing
- Steele Reese and Wells Fargo Foundation private grants
- Federal Home Loan Bank of Des Moines Affordable Housing Program (AHP) grant
- City of Livingston permit fee waiver



Project Overview – Bluebunch Flats

- Former Livingston Memorial Hospital, originally built in 1955, with significant addition/remodeling in 1987 and 1989
- Good example of mid-century modern architecture, not too altered
- Historically significant to the community (most hospital are)
- Over 40,000 SF, one-story , partial basemen
- Typical hospital layout – central corridor with patient rooms on either side lends itself to adapting into apartment homes – same with old schools, hotels, some office buildings



Why we did it and who benefited

- Livingston as a “resort” type community, has a need for workforce rental homes
- Long term rental housing stock has been depleted by proliferation of Air BnB and VRBO short term rentals



Why we did it and who benefited

- Rental homes are income- and rent-restricted (HOME and LIHTC regulations), targeted to people earning less than 60% Area Median Income – for 2021, in Park County, that’s \$31,380 gross annual income, or about \$15/hour.
- Project does not have rental subsidies, so residents have to have some source of income.
- Homeword uses sustainable methods to strengthen Montana communities by teaching homebuyer education and financial skill building and creating safe, healthy homes people can afford.

Why we did it and who benefited



Partners and their roles

- The HRDC – Administrative General Partner, “boots on the ground” local partner able to respond to immediate issues, referrals
- USB CDC – Investor Limited Partner, provided most of the funding from equity form sale of tax credits (LIHTC and HRTC)
- Montana Department of Commerce – Montana Housing and Community Housing, LIHTC, HOME and ARPA awards
- Steele Reese and Wells Fargo Foundations – grants
- City of Livingston, Park County – fee waivers and support
- Park County Housing Coalition – getting the word out

Partners and their roles

- State Historic Preservation Office/National Park Service – Historic nomination and tax credits
- NeighborWorks Montana – purchased the property and started the clean up
- Montana Department of Environmental Quality/EPA – provided environmental assessment funds
- Snowy Mountain Development Corporation – provided grant/loan funds for clean up
- Architects – 45 Architecture, local, leading team of engineers and architect
- General Contractor – Oswood Construction Company, still hanging in there
- Tamarack Property Management Company – leasing

What it cost and how we paid for it

- Total Development Cost: \$9,182,000, includes land cost
- Total Construction Cost: \$5,459,000
- Tax credits, grants, deferred developer fee



How the project is sustained

- LIHTC/HOME rental income
- Durable materials, simple systems
- Small mortgage – 35-year amortization, 15-year term – First Security Bank, member of Glacier Bank
- Reasonable Property Management Fees
- Energy efficiency – cost efficient



Overall community benefit

- 37 studio, one and two-bedroom homes people can afford to rent – period of affordability: 46 years
- One less vacant, blighted building
- Preservation of a part of the community history
- Preservation of some neighborhood open space



Lessons learned that could help other communities

- “Nobody expects the Spanish Inquisition” *Monty Python*
- Assume the worst can happen, and will, and be prepared to be flexible
- Work with partners you trust
- Manage other’ expectations
- Find all the funding you can
- Preserve the best, discard the rest
- Build in a buffer – budget, schedule, staff capacity
- Expect unexpected environmental issues with old buildings
- Don’t expect miracles, but rejoice in small benefits and good will

