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City of Billings Planning and Community Services

Attn: Wyeth Friday

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Billings, MT 59103-1178

Request for TIF Fund Assistance – HAB Development

Dear City of Billings Planning Dept,

The SBBURD TIF Advisory Committee is submitting a request for Tax Increment Financing (TIF) assistance on behalf of HAB Development for the South Hills Commons project, a housing development located in the South Billings Boulevard Urban Renewal District.

The proposed development is located off King Avenue East and Stephens Lane. The site is currently empty, vacant property located within a residential area.

The proposed project will include 35 owner-occupied workforce homes delivered through the Montana Community Reinvestment Plan (MCRP). The homes will range in size from 1,299 to 1,676 square feet and will all include three bedrooms, two to two and half bathrooms, and a two-car garage. No relocation of residents is required for this project.

The total projected cost of this project is \$13,392,027.60 including a land purchase price of \$600,000. The applicant submitted their TIF application to SBURA on March 20, 2026. The application was reviewed by the EBURD TIF Advisory Committee and approved on April 7, 2026 for \$1,339,202.76 in TIF-eligible expenses—representing 10% of the project cost. The application identifies just over \$2.4 million in TIF-eligible expenses, with consideration given to the inclusion of land acquisition as part of the “but for” analysis.

It is understood that the final determination of eligible expenses rests with City Council, and should Council choose to exclude land costs, the Committee remains supportive of reallocating eligible TIF funds to other qualified project expenses.

This project represents a significant investment in the district and aligns with the SBURA Urban Renewal Plan and Master Plan goals, including the removal of blight, reinvestment in underutilized properties, support for housing development, and continued growth of the district's tax base.

We respectfully request placement of this item for review by the Billings City Council at an upcoming session.

Thank you for your assistance.

Sara Trautmann

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SBURA Interim Consultant