

2019 City of Helena Housing Strategy

I. Capacity Building, Outreach, and Education

1. *Continue to convene Tri-County Housing Task Force to implement recommendations of the needs assessment.*

Status: On-going. Community Development staff are tasked with staffing this task force to help move the goals, policies, and discrete actions stated in the Housing Needs Assessment (HNA) forward for our community.

2. *Provide staffing for Task Force.*

Status: See 1 above

3. *Update growth policies and zoning ordinances to include housing strategies and recommendations from the housing needs assessment.*

Status: Medium-term. Community Development staff have hired a consultant team to assist with the comprehensive growth policy update, which will be a key focus of department efforts through 2019. Following the update and adoption of a revised growth policy, the Zoning Commission, with assistance from city staff, will then be in a position to turn their attention toward an all-encompassing review of city zoning code (which is to be consistent with the adopted growth policy, by law). As part of the growth policy update, housing stakeholders from public, private, and non-profit sectors of the community, as well as the general public, will be engaged in discussions to help guide the direction of housing policy updates.

II. Funding, Finance, and Partnerships

1. *Advocate for additional funding of housing programs at the state level such as the State of Montana Housing Trust Fund.*

Status: On-going. The City of Helena is a member of the Montana Housing Coalition, which is advocating in the current legislative session for three priorities: (1) establishing a Workforce Housing Tax Credit program to provide gap-financing for housing development; (2) utilizing the Coal Severance Tax Trust Fund money to create a loan program to several more private investment in housing development; and (3) allowing local jurisdictions to apply for TSEP/Big Sky Development funds to create infrastructure to that helps facility affordable housing development. City staff also lends support toward state efforts by being present at hearings and sessions as a show of support and to provide testimony, as needed, but cannot lobby on behalf of the city due to the Hatch Act of 1939.

2. *Identify government and private foundation grants for housing programs and determine potential projects to match grants.*

Status: On-going. Community Development staff routinely look out for grant opportunities. We are currently sponsoring Guardian Apartments, LLC, with their Home Investment Partnerships (HOME) grant, which is set for completion by June 30, 2019. We also are working to secure a contract with Montana Department of Commerce (MDOC) on the Center for Mental Health's Community

Development Block Grant (CDBG) to create a transitional living group home facility for up to 12 young men leaving the state mental health hospital (or similar facilities). In cooperation with Lewis & Clark County, we will be conducting a Community Needs Assessment hearing on February 7, 2019 to ask local agencies and members of the public what their needs are as a first step in sponsorship for federal pass-thru grants administered by MDOC. Due to being a government entity, the city is barred from applying for most foundational grant opportunities due to their selection criteria, but will consider any that arise that may be beneficial for our community and will support others' efforts to make applications.

3. Research best practices and initiate discussions with potential private sector partners to finance infrastructure and housing programs.

Status: On-going. In tandem with our own research of best practices in policy formulation and development, the city strives to take every effort to engage with private sector partners (local agencies, lenders, developers, engineers, and others) to ensure that we consider their practices and general comments in establishing policies, programs, and codes that may directly affect them. Their expertise is critical in helping us arrive at appropriate decisions, especially when it comes to development, redevelopment, and overall retention of our existing housing stock.

III. Promote Homeownership

1. Establish a regional community land trust to construct affordable housing. Support efforts by local organizations to establish housing land trusts.

Status: City staff, commissioners, and stakeholders met with staff of Trust Montana to learn about how to establish and maintain a Community Land Trust (CLT). Trust Montana has agreed to provide support to the city should it venture into establishing a CLT. At present, city staff are working to find a suitable site(s) that can be utilized to this end as a first CLT test subject. This currently hinges on issues such as deed restrictions for properties, methods of disposal, environmental hazard mitigation, and so forth before any such site can move forward for consideration.

2. Inventory weatherization and home rehab programs.

Status: The City is in the process of signing a contract with AC Solutions, a consultant firm owned and operated by former MDOC staff member, Andrew Chanania, who will be contracted to complete the grant application to secure Small-Scale Single-Family Home CDBG grant funding. These grant funds are part of a revolving loan fund that can be utilized, in part, to rehabilitate our community's existing housing stock that is owned by those earning 80% or less of the area median income (AMI), vetted and applied for on a case-by-case basis depending on eligibility. City staff are fine tuning the scope and process with Andrew's help to find a workable program that can be administered over the 5-year life of the grant as part of the grant application writing process (and with input from Jacob Kuntz of Habitat for Humanity). If this grant opportunity is a success, the city may consider the option of applying for similar funding for multi-family housing that is offered under the CDBG program in the future. Grant administration efforts may be coordinated with Rocky Mountain Development Council and Helena Habitat for Humanity to help determine an applicant's grant eligibility.

3. Administer Community Development Block Grant for homeowner rehabilitation grants and loans.

Status: See 2 above.

IV. Increase Rental Housing Supply and Address Renters' Needs

1. Administer Community Development Block Grant rental rehabilitation funds.

Status: See III(2) above.

2. Identify suitable land for multi-family units and begin a planning process to rezone the land.

Status: Medium-term. As part of the growth policy update that is underway this calendar year, we will be updating maps that show vacant and underutilized properties in our city limits. This map has not been updated since the drafting of the 2011 Growth Policy, but is a good means of determining those areas in town that are either ripe for redevelopment or for infill development. At the time that this is available, and in conjunction with other efforts to consider infill and redevelopment potential in the community (ex: Lockey Park, Cruse Avenue Right-of-way), we can engage with property owners, developers, and other interested parties to assess properties' true development potentials and consider options to build additional multi-family housing. The city will actively support efforts to preserve existing affordable housing within the community (particularly Helena Housing Authority's low-rent public housing units), and support all efforts to develop new affordable rental housing, especially rent-assisted and project-based rental units.

V. Address Housing Needs of Seniors, Populations with Disabilities/Health Conditions & Homeless Population

1. Support and advocate for new developments that increase housing options for seniors across the entire continuum of care including options for downsizing such as retirement communities, assisted living and skilled care units.

Status: On-going. The city actively supports projects and programs that provide housing and wraparound services to seniors within the community. Where possible, the city also sponsors grant funding opportunities to further the provision of affordable senior and disabled housing opportunities in Helena through the HOME and CDBG grant programs, such as the Guardian Apartments HOME rehabilitation grant that received \$1.61m to help keep 118 units in the building in the city's affordable housing stock portfolio for years to come.

2. Conduct feasibility study for subsidized assisted living for seniors and supportive services.

Status: Medium-term. Per the HNA, the population of those aged 65 or older is projected to increase from a level of 16.1% in 2016 (ACS data) to 21.4% in 2022 (MT Governor's Office of Economic Development), which translates into an increase of 6,464 residents aged 65 and older. Considering opportunities to provide safe, affordable housing for this segment of the population is of increasing importance in years to come. In coordination with Rocky Mountain Development Council (RMDC) and other stakeholder agencies, the city may consider assisting with the procurement of funds (through the budget, planning grant opportunities, or otherwise) to address the need for more housing opportunities for seniors, across an array of housing types and for individuals of varied income levels and abilities. This

would be a new effort for the city and the wider community, should it be taken on in the next 2 to 5 years. AARP may assist facilitating this process, as it is aligned with their Livable Communities Initiative.

3. *Promote visitability and universal design practices in new developments and housing rehabilitation projects.*

Status: On-going. The city Building Division is tasked with enforcing the International Building Code, which is set by the Montana Department of Labor. While deviating from the requirements of this code is not permitted for jurisdictions, it is increasingly more aligned with universal design concepts to promote accessible development, both residential and commercial. The city is set to transition to the 2018 IBC once it is approved by the State of Montana.

4. *Build permanent supportive housing to alleviate homeless issues so it becomes rare, brief, and non-occurring.*

Status: Long-term. The city actively participates in the Helena Resource Advocates (HRA) and HRA Leadership Team (HRA-LT) meetings, which serve to address housing, homelessness, and wraparound social service issues within the community. Many members of the HRA group serve as “front door” agencies for the homeless as part of the Housing First Coordinated Entry System, which connects individuals facing or experiencing homelessness to providers that can assist them with find transitional housing and the other resources that they may find themselves in need of. The city fully supports these activities, and has provided funding to the United Way of the Lewis & Clark Area (UWLCA) to fund coordination activities for this purpose. The city will, more broadly, look to craft policies that help further the provision of housing and services to those most vulnerable and in need within our community.

VI. Planning, Land Use, and Development

1. *Review development codes to include mechanisms that support affordable housing, and promote opportunities like micro-housing and new home building technologies, where possible.*

Status: On-going. City staff will continuously research opportunities to bolster affordable housing within the community, including researching more extensive definitions of housing use types that may be suitable for inclusion in our city code and considering whether other facets of the zoning code would otherwise preclude their use existing within the city (e.g., dimensional standards, building codes). Further, staff will investigate the possibility of establishing incentives for the development (or funding of) affordable housing opportunities and/or the ability to institute inclusionary zoning policies, whereby there are requirements for developers to develop a certain number/percentage/square footage quotient of affordable housing with each (re)development in the community or require developers to make a defined contribution into a housing trust fund.

2. *Identify grants, public-private partnerships, or tax incentives to defray infrastructure costs for new developments in exchange for affordable housing.*

Status: On-going. The city will continue to seek out grant funding opportunities that support the retention or development of affordable housing in the community through CDBG, HOME, or other grant

programs. Staff will continue to work toward deepening relationships with private sector developers to promote affordable housing development, especially with respect to gleaning barriers to such development, finding opportunities for collaboration in policy, project development, and implementation, and in identifying parcels and lots that could be potential infill or redevelopment sites for housing or mixed-use development. Additionally, staff will be investigating the potential for discounting building permit fees and system development fees (levied by Public Works and the Building Division) for affordable housing projects. Further, with respect to tax incentives, staff will continue to investigate the opportunities that may exist to promote affordable housing development through financial incentives for city-wide development, which may serve as adequate inducement to boost the provision of affordable housing in Helena.

3. Investigate land banking opportunities to reserve land for affordable housing development.

Status: Short-term. The City is actively reviewing the potential to utilize existing city lots to establish Helena’s first ever community land trust, as previously mentioned. City-held property at Lockey Park and land in/surrounding portions of the Cruse Avenue ROW are two key examples of properties that may lend themselves to this purpose. The city intends to work with Trust Montana, based in Missoula, to provide us with legal and financial expertise to establish and maintain the CLT(s) in perpetuity. Staff are currently researching best practice information on the means to both establish and administer CLTs to aid in this process.

4. Promote further intergovernmental coordination between the city and county to update land use regulations and to implement recommendations of the housing needs assessment.

Status: On-going. The 2018 HNA was a collaborative effort that focused on not just Helena, but the housing needs of the wider tri-county region. Of special importance in this discussion is housing provision within the Helena Valley, which has become densely developed in places (to an urban standard). Coordination between the city and county is anticipated to resume to consider how best to manage growth within the Urban Growth Boundary/Urban Standards Boundary and establish joint standards. This boundary includes the incorporated city limits and immediately adjacent areas to the north. Coordinating rezoning efforts and assessing costs and impacts of the extension of city services beyond incorporated borders will be critical component to establishing better policies and regulations, and to avoid driving desired residential development well outside of the city, as often happens.