



CITY OF HELENA
Affordable Housing Trust Fund Advisory Board
July 13, 2022 - 2:00 PM – 3:30 PM
Zoom Online Meeting; <https://zoom.us/j/98576794873>
Meeting ID: 985 7679 4873
Or, dial in at: 1 (346) 248-7799

Call to Order and Roll Call

(00:11:30) Roll Call was taken, and the following all responded present: Byron Beley, Riley Hanson, John Rausch, Chris Hunter, Stephanie Bull, Michael O’Neil, Rachel Ballweber

The following members were absent: None

Members of the public present: There were no members of the public present.

Minutes

(00:14:03) June 8, 2022 meeting minutes unanimously approved

Regular Items

(00:14:35) A. Update on the legal review for the Trust Fund documents

(00:14:55) Kara summarized the feedback that was received from the City Attorney, including clarifying several areas in the documents that reference a situation that would require a Trust Fund recipient to return funds to the City. The City Attorney did not identify the Land Trust set-aside as an issue, but Community Development Director Christopher Brink asked that it be removed as it was not asked for by the Commission. Michael O’Neil clarified that an organization could still ask for grant funding for Land Trust Development, there just would not be a set aside. The last item identified in the legal review was an inquiry as to whether other City funds could be used as match in an HAHTF application. Legal did not make a recommendation, but Christopher Brink recommended

being able to use other City funds, such as TIF funds or a building fee waiver, as match.

- (00:19:35)** Kara stated that Andrew had already sent a revised draft of the Trust Fund documents that took into account the feedback from the last Advisory Board meeting, as well as the legal review. Michael O'Neil stated that the Board had not been able to see any of these edits and requested a copy with tracked changes be sent out in order for the Board members to see what had been addressed.
- (00:20:56)** Byron stated that it was good that applicants would be able to utilize other City funds as match for a HAHTF application.
- (00:21:07)** Kara let the Board know that someone recently tried to make a personal donation to the Trust and that it had to be refused because it was made for a certain project. Kara said that for a donation to be accepted, it would have to be a general donation to the Fund, so that the money could be used as the Guidelines specify.
- (00:23:20)** Michael O'Neil requested a broader conversation on the topic of donations to the Fund at a future Advisory Board meeting.
- (00:25:25)** Kara gave a brief update on the status of contracting a 3rd party to take on the financial piece of managing the HAHTF. Those services would include building the loan templates, providing underwriting reviews for each application, underwriting the loans, and engaging in ongoing compliance for the projects. During the research process, several organizations were identified as being able to provide one or more of these services, with NeighborWorks MT being able to provide the full spectrum, minus construction loan monitoring. Currently, we are waiting on a bid and scope of services from NeighborWorks MT and will have more to share during the next meeting.
- (00:27:54)** Kara stated that she could not share the underwriting review examples that NeighborWorks had sent, as they contained confidential information, but gave several examples of sections that might be useful for the Advisory Board. Those items included: comparisons to similar projects, history of applicants finances and performance on similar projects, strengths and weaknesses of proposal, recommendations (not necessarily what the applicant proposed). Kara then asked if there are other pieces of information in addition to those just listed that may be helpful to the board as they review an application.
- (00:29:05)** Michael stated that he is a NWMT board member and serves on a committee that reviews loans. Michael gave a little more information about what NWMT might offer, including a leverage calculation (how many dollars are being leveraged by the City contribution), and a risk rating for the project.
- (00:30:31)** Byron asked what the charge was for the services offered by NWMT. Kara responded by saying the bid from Mountain Plains Equity group had been \$5,000 per underwriting review and that NeighborWorks MT had said their bid would certainly be lower than that. Kara said she would share information as she received it.

- (00:31:42) Michael said that NWMT was just awarded federal money for low-income affordable housing in the form of a capital attractor fund. He said they also operate on a state-wide level and will have a good idea of what funding sources are present in the area
- (00:33:48) Michael asked for example underwriting reviews to look at during a future meeting. He felt the board may find it helpful to have something concrete to look at. Kara said that the NWMT had mentioned trying to create a “dashboard” of different metrics that each project could be filtered through and comparted. This might be especially important if we have more funding requests than available funding.
- (00:38:02) Michael asked if Kara would send the updated documents with the tracked changes so the Advisory Board may review. He also requested some sample documents from NWMT that the group could review. Kara confirmed that she could do that
- (00:39:21) **B. Review of Application Process**
- (00:39:53) Kara shared her screen, which showed an Excel spreadsheet that had a broad overview of the Application process and summarized each step. Michael asked for clarification on what needed to be brought before the Commission prior to the first funding round and when documents related to the Fund might be available to the public. Kara responded that the City Manager asked for the documents to be presented at as many Administrative meetings as necessary for all Commissioners to ask questions and be comfortable with the information. Once the documents are adopted, they will be posted on the City site, regardless of when the first funding round opens. Michael stated that the more time they are accessible, the better.
- (00:46:10) Byron asked where the NWMT loan underwriting analysis will come in to play. Kara responded that the previous City Attorney asked that all loan documents associated with the Trust Fund be submitted with the Guidelines and Application to the Commission. Kara explained that the hope is to actually adopt the Trust Fund documents prior to the loan agreements being identified, as there is such a broad array of potential activities. Michael clarified that Byron was actually asking about where the NWMT review would come in the Application Process. Kara responded that the Excel sheet detailing the process needed to be expanded to reflect where that happens and how much time it might take.
- (00:48:45) Michael O’Neil asked if the Advisory Board will be receiving the full application to review or just the NWMT review. Kara responded that the board will have up to several weeks to review the full application, the underwriting review, and the finalized scoring matrix prior to meeting and discussing everyone’s thoughts.
- (00:50:45) Kara stated that while the detailed Advisory Review process was not finished yet, it may be possible that the hour and half monthly meetings will not be sufficient to completely review applications, especially if there are quite a few. She went on to say that each applicant will have the opportunity to present

their project to the group. After that, the group will consolidate their comments and pass them along to the Commission for final decisions.

(00:52:25) C. Discuss Advisory Board review process

(00:52:34) Kara shared her screen to show a draft version of the proposed application scoring matrix. The matrix is broken down based on the bullet points included in the Advisory Board review section of the Application. The point column is left blank in order that the board might be able to discuss the importance or proposed “weight” of each item and assign it points accordingly.

(00:53:55) Michael O’Neil asked for more information on how scoring would be combined. Kara stated that scores would be individually done and then combined, then asked if Michael had any insight from his experience. He said that the issue will be getting to a consensus after each person has filled in their matrix individually. Each person could have the opportunity to change their score during the group discussion, and thereby get to the consensus.

(00:57:46) Stephanie Bull stated that during the Helena Area Community Foundation City/County grant process, a similar matrix was used. She said that to combine scores you could average everyone’s together and also remove outliers. Categories that had large differences in scores were discussed more thoroughly to figure out what the reasoning for the variance was.

(01:00:46) Michael O’Neil stated that it would be good to have more thought given to this process, including a legal review. Kara responded that the Advisory Board feedback was very helpful in identifying areas that need more detail and also more input from different City staff. She said that she would make edits on the process and scoring sheet that were presented in this meeting and send out with the minutes for Board feedback. John Rausch said that he would prefer the option to adjust his scoring instead of being held to what he assigned to each category during his individual review.

(01:02:53) Michael O’Neil clarified that the breakdown of points in each scoring category were not included in the other Trust documents, but that they should be. Kara responded by explaining the intent of the City would be to have all of the scoring materials, including how many points are awarded to each scoring category available for public view.

(01:04:26) Stephanie Bull suggested having the total amount of points be smaller. She thought that the more points possible, the larger the potential variance in scoring from each individual. Kara stated that some categories may have different ranges or number of points than others. The points don’t have to total 100 though, it could be a much smaller number. John Rausch suggested having a “multiplier” for each section. So, each section could have a 1-5 ranking scale, and then be multiplied higher or lower based on the assigned importance of each category.

(01:08:54) Byron suggested having a threshold for each category/application. If it meets the minimum requirements, then yes, but if it doesn’t, then no. Then if there are more applications than funds, the group could do a more detailed, score-driven review.

- (01:11:01) Michael O'Neil discussed the idea that based on the scoring criteria of anticipated revenue, a project that generates more income might score higher. Generally, a project that generates more income serves a higher income bracket. Michael identified this as a potentially inequity in the scoring process.
- (01:13:25) Michael summarized the feedback he heard in this section as follows: Stephanie brought up the idea that outliers need to be addressed somehow, John brought up a potential tool to rank each category, Byron brought up the idea of threshold requirements for applications, Michael brought up what would be concrete indicators of project readiness (environmental review completed, site control attained, etc..).
- (01:17:38) Rachel Ballweber had some feedback on the scoring matrix but the audio cut out. She later emailed to say that she might have some example documents from Mosaic's past projects that could be helpful as we edit the matrix.
- (01:20:30) Michael prompted the Board to think about what they would like to see in the structure of the application review meetings. Whether that be in-person or remote, several meetings or one longer one, etc. Michael recommended separating the applicant presentations from the final decision making meeting.

Questions/Comments

- (01:22:34) Byron commented that he liked meeting the 2nd Wednesday of the month and asked the group what worked best for them. Other Board Members responded that the second week (August 10) worked for them as well. Kara asked if the Board might want to consider moving the meetings permanently to the 2nd week of the month. This will be discussed at the August meeting.

Public Comment

- (01:24:11) Michael asked if there was public comment. There is no public comment at this time.

Meetings of Interest / Announcements

- (01:24:32) The next Advisory Board Meeting has been rescheduled for August 10, 2022 at 2pm

Adjournment

- (01:25:03) There being no further business before the Affordable Housing Trust Fund Advisory Board, the meeting adjourned at 3:30 p.m.