



**CITY OF HELENA**  
**Affordable Housing Trust Fund Advisory Board**  
**September 14, 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**

**(00:12:45)** Roll Call was taken, and the following all responded present: Byron Beley, Riley Hanson, John Rausch, Stephanie Bull, Michael O’Neil, Rachel Ballweber

The following members were absent: Chris Hunter

Members of the public present: There was one member of the public present, who identified as Dr. G.

**Minutes**

**(00:16:11)** August 10, 2022 meeting minutes unanimously approved

**Regular Items**

**(00:16:50)** **A. Update on the City Commission process for adopting the Program Guidelines and Application processes**

**(00:16:55)** Kara gave a summary of the September 7<sup>th</sup> Commission meeting. The presentation that gave details concerning the Trust Fund documents and Application process was well received by the Commission. The follow-up questions were mostly answered through review of the documents, and none indicated concern over the current direction that staff, or the Advisory Board were taking. One Commissioner asked how much was needed annually to address current needs.

- (00:17:50) John Rausch, who was also present at the Commission meeting, included information on several follow-up questions, including the sources of funding that have contributed to the Trust so far.
- (00:19:30) Kara concluded that after the meeting, she had talked to Chris Brink, the City Community Development Director, and that they did not see any reason to think the Trust Fund documents would not be approved during the following regular Commission meeting, meaning the timeline would move forward as planned.
- (00:20:50) Byron asked how much of the Trust Fund would be released to assist with projects during the first round of funding. Kara responded that City staff had recommended a reserve of \$100,000 be kept for emergency use, and the remaining \$2,043,000 be released for projects. That decision will be part of what gets adopted during regular Commission meeting.
- (00:21:49) **B. Review and discuss the underwriting review memo template document**
- (00:22:31) Kara shared her screen, which showed the second draft of the Underwriting Memo Template provided by NeighborWorks Montana. She summarized the form, which had also been sent out with the agenda prior to the meeting. The form includes the following sections: 1) a project summary that has basic information for each project; 2) Applicant Experience and Capacity; 3) Market Needs and Demand for the Project; 4) Financing & Funding, which will give the Board an idea of whether there may be other sources of funding available that the applicant has not applied to; 5) Project's Financial Projections; 6) the Loan Request information; 7) a list of the Project's Strengths and Weaknesses, and; 8) Additional Notes on the Project and how it fits within the Trust Funds Guidelines.
- (00:25:43) Kara reiterated that the current memo is a draft version, and that the City does not yet have an agreement with NeighborWorks Montana for the financial services.
- (00:26:15) Michael commented that he liked what was currently in the draft. He thought the other sources of funding section was a good idea. He questioned whether it might be necessary to have a different template for single-family housing development as it had a very different financial model involving subsidy on both ends of a project. He also wondered whether another version would be necessary for down payment assistance or other consumer housing programs.
- (00:27:58) Kara mentioned that NeighborWorks Montana has also offered to have a representative at the meetings when projects are being discussed to be able to answer specific financial questions. NeighborWorks also acknowledged that edits will likely be made to the memo template after the first use. They understand that the Fund and the process is new and that edits will be necessary to improve upon the process with each funding round.

- (00:29:35) Michael mentioned that NeighborWorks MT provides a risk rating with their other loan reviews and inquired whether that had come up in the meetings about financial services so far.
- (00:29:38) Kara responded that the assessment form that we have developed is similar to the risk rating chart the NeighborWorks uses. There has been some discussion around expanding the financial aspect of that assessment form, but we decided to stay with the memo template instead.
- (00:31:35) Byron commented that he thought the form included most of what the Board would need to assess a project. He also said he agreed with Michael that the form may need to be adjusted for single-family unit development. Michael reiterated his thought that as single-family home ownership projects are often subsidized on the development side as well as the purchase side, the form would likely need to be expanded to show those items. He recommended looking at the Housing Montana website for information and forms that the State uses.
- (00:34:50) Michael asked the Board whether they had thoughts or questions on using the form to assess single-family home ownership development. Byron responded that he thought a different analysis was necessary. Kara said that the form would not be showing information for individual homebuyers but asked whether the market needs section might cover the analysis that Byron and Michael are looking for. Michael thought that the form just was not as clear when it came to down payment assistance and single-family development.
- (00:39:25) Dr. G asked whether under applicant experience if the Board would ask for HUD statements to prove completion of previous similar projects. Michael said that likely the applicant will list their previous projects they have worked on and if the project was unknown to the Board, there would be follow-up to verify completion or status. Michael also stated that most applicants would be known entities and that HUD may not be able to give information on projects. The City can also do a debarment check, which is a quick way to see whether an applicant has any issues that the Board and City should be aware of.
- (00:42:45) Byron said that he didn't see a breakdown of the uses of the funding represented in the memo template. Kara responded that a sources and uses statement would be included in the application.

### **Public Comment**

- (00:44:08) Michael asked if there was public comment. There was no public comment at this time.

### **Comments and Questions from the Board**

- (00:45:40) Michael said it would be a good idea to assume there would be a lot of projects during the first round and to look at calendars for the December meeting, when we would be assessing the projects. It would be a good idea to have an outline of the potential meetings and know people's availability. Michael also asked for there to

be some information given to the Board concerning the structure of the review meetings, expectations of the Board, and how the reviews will be conducted.

**Meetings of Interest / Announcements**

**(01:19:15)** The next Advisory Board Meeting is scheduled for October 12, 2022 at 2pm. The standing meeting time is the second Wednesday of every month from 2-3:30pm.

**Adjournment**

**(00:52:30)** There being no further business before the Affordable Housing Trust Fund Advisory Board, the meeting adjourned at 3:00 p.m.