



CITY OF HELENA
Downtown TIF Advisory Board Meeting
Thursday, January 11, 2024, 10:00 AM
Zoom Online Meeting: <https://zoom.us/j/91384672412>

Members Present: Brian Obert (Chair), Nathan Bilyeu, Lori Ladas, Seth Brandenberger, Brett Charles, Benji Cosgrove, Riley Tubbs, Mike Hottman

Members Absent: Charlie Carson, Andrew Chanania

Staff Present: April Sparks, Ellie Ray, Anne Pichette

Call to Order and Roll Call

(0:11:51) The meeting was called to order, and roll was called. It had been noted that a quorum was still being established and decided that items not needing a quorum would be reviewed first.

Regular Items

A. Budget Report

(0:11:58) There were some questions from Chair Obert about the budget and if all funds from November tax collection were included. Ms. Ray noted that these figures were based on taxes paid.

(0:13:38) Introductions were made.

B. Affordable Housing Trust Fund Presentation

(0:15:56) Ms. Pichette started her presentation on the Affordable Housing Trust Fund (slides attached), explaining the purpose, procedures, and how it affects the Downtown TIF.

(0:19:07) Riley Tubbs joined the meeting and a quorum was established. The meeting shifted to considering the application from the YWCA.

C. Consider the YWCA Application

(0:20:16) Jen Gursky, Executive Director of the YWCA Helena, introduced Denise King, YWCA operations director. Ms. Gursky and Ms. King gave an overview of the application and how it relates to the larger project the YWCA is undertaking in rehabbing their building. Becky Lawson of SMA Architecture, answered questions related to the project including questions about a construction quote. Ms. Gursky noted that the YWCA had been fundraising for building maintenance for two years, and the Board is committed to finishing the exterior project, and that she has no doubt the project

will be completed and funded. Additional questions were asked related to alternative plans that may be considered and if this project qualified for the 10% set aside for low-income housing. Ms. Ray noted that it is a matter of capital stacking, and that the applicant may pursue those funds in their second phase of their project. Ms. Gursky confirmed that it is possible they would pursue that would be considered in the future.

(0:30:39) There were no additional questions for the applicant. Mike Hottman joined the meeting during the applicant presentation and introduced himself at this time. Mr. Hottman stated his appreciation for the application submitted by the YWCA. Chair Obert asked staff if this application qualifies for TIF funds. Ms. Ray explained that it does and under which consideration it qualifies. Mr. Hottman asked how long the project will take to complete, along with a follow up about any anticipated complications due to the age of the building. Ms. Gursky stated that grant funds already awarded need to be expended by December 31, 2024, and hoped to get started with the project as soon as possible; she also noted that testing had already been completed for potential contaminants and at this point the only remediation needed is for lead paint. A plan is also in place so no residents will be displaced by this project, and that residents will be informed of work being completed. Ms. Lawson also noted that there will be separation between rooms being done and those that are occupied.

(0:40:43) Chair Obert disclosed his membership of the Housing subcommittee for the YWCA, noted he was not involved with the application, and no financial reward, but asked if he needed to recuse himself. It was noted that there were 8 members present and that 6 are needed for a quorum, and there would still be enough members present to have a quorum. Mr. Bilyeu and Matthew Petesch of the City Attorney's office both recommended that Chair Obert recuse himself if he was not needed to constitute the quorum and avoid any appearance of impropriety.

(0:43:10) Mr. Brandenberger moved to recommend approval of the application for \$118,160.22. Mr. Hottman seconded the motion. There was no additional comment. A voice vote was called, and the motion passed unanimously (6:0). Both Chair Obert and Mr. Charles abstained for voting on the item; Chair Obert for his stated reason, and Mr. Charles as he had recused himself via email prior to the meeting stating his colleague and firm he is employed by was involved with the project. Ms. Ray noted that she would attempt to get the application and recommendation before the City Commission on February 12.

B. Affordable Housing Trust Fund Presentation

(0:46:05) Ms. Pichette continued her presentation on the Affordable Housing Trust Fund.

(0:55:06) Chair Obert asked about previous applications to the Trust Fund. Ms. Pichette gave information about the one application that had been approved in a previous application cycle, noting it was approved for \$1,000,000, and that there would be just under \$1,000,000 available after that project is funded until loan funds are paid back. Ms. Ray noted that figure does not include the 10% TIF set asides, and it was noted that those funds could be layered with something like a façade improvement project if it were in the downtown area.

D. Minutes



(0:57:32) Chair Obert asked if anyone had any comments or a motion on the minutes from July 13, 2023. Mr. Bilyeu moved to approve the minutes as presented. Ms. Ladas seconded. The minutes were approved unanimously.

Public Comment

(0:58:24) There was no public comment.

Member Communications / Proposals for next Agenda

(0:58:24) Ms. Sparks reminded Chair Obert that the position of Vice-Chair was open again, and that it should be added to the next meeting's agenda. Ms. Ray noted that there may be an opportunity to consider an application out of cycle, but that it depended on the BID getting approvals for installation of their Portland toilet from relevant City departments first. Mr. Bilyeu asked about the status of some of the previously approved projects, and Ms. Sparks gave an update on the Livery Square project, Penwell building and the Fire Tower project. Ms. Ray noted that she has had people reach out to her but ultimately not submit applications, and asked if anyone is interacting with interested property owners in the community, to please let them know they need to contact the City directly and staff will meet with them and walk them through the program. Ms. Ray also announced that if anyone is interested the HTC will be meeting on January 16th to discuss the Historic Demo ordinance.

Adjournment

(1:06:06) The meeting was adjourned.



Affordable Housing Trust Fund (HAHTF)

HAHTF Overview

- Purpose – “supporting and expanding the supply of housing for lower income, senior citizens, persons with disabilities, homeless, and others with special needs” – Res. No. 20630
- Sources of funding (approximately \$1 million currently in HAHTF)
 - Proceeds from the sale of certain City property
 - \$100k set aside annually from the general budget
 - Principal and interest payments from the loans
- Beneficiaries – low to moderate income (within 80% AMI, can go up to 120% with Advisory Board recommendation and Commission approval)
- Match – 5:1, shelter/temporary housing projects can negotiate down to 3:1 with sufficient justification and rationale
- TIF funds – 10% of TIF funds are set aside for affordable housing projects within each district



Program Guidelines Overview



Priorities

- Projects that maximize the utilization of outside financing (non-HAHTF matching funds).
- Projects that do not duplicate existing services or funding options and that leverage partnerships with other organizations and agencies.
- Projects that are sponsored by organizations or agencies able to demonstrate the staff capability, capacity, and experience necessary to successfully implement the proposed project.
- Projects that are clearly defined and realistic in scope, location, need, budget, and goals.
- Projects that utilize a proven, effective strategy.
- Projects that further the City of Helena's strategic goals and objectives and demonstrate consistency with adopted planning efforts.
- Projects that will not require ongoing investments of HAHTF funds.
- Projects that will have a sustainable long-term impact.
- Projects that further the City's environmental and sustainability goals and objectives. Promote energy efficiency and the use of renewable energy in new and existing development, minimizing impacts on natural resources and the environment.
- The length of time a project will maintain its affordability.

Eligible Applicants and Activities

Eligible applicants include non-profit, for-profit and public organizations who will own, develop, and/or sponsor eligible activities

Eligible activities must add, improve or support permanent, transitional, and/or temporary housing. Activities could include construction, rehabilitation, acquisition, or financing of affordable housing projects or programs.

Eligible Uses

- Donate, provide, or pay all or a portion of the costs of land for the construction of affordable housing on that land;
- Donate, provide, or pay all or a portion of the costs of conversion or renovation of existing buildings into affordable housing;
- Provide or pay all or a portion of the costs of financing of infrastructure to support affordable housing projects;
- Provide or pay all or a portion of the costs of acquisition, development, construction, financing, operating, or owning affordable housing;
- Pay all or a portion of the up-front costs associated with permitting, plan reviews, and water and wastewater system development fees;
- Provide or pay all or a portion of the costs associated with consumer housing programs and services;
- Provide loan guarantees to affordable housing projects;
- Provide gap financing for affordable housing projects; and
- Pay the costs incurred by the City of Helena associated directly with the administration of the funds; provided, however, in no event shall the amount expended from the funds for such administrative expenses in any year exceed eight (8%) of the amount of revenue received in the fund that year.

Beneficiaries

HAHTF-assisted projects must serve low to moderate income households within Helena

Within 80% AMI (\$58k for HH of 1, \$83k for HH of 4)

With Advisory Board recommendation and approval by City Commission, could go up to 120% AMI (\$87k for HH of 1, \$124k for HH of 4)

Match Requirement

- 5:1 match ratio
- Shelters and/or temporary housing may request reduction to 3:1 match
- Match may include: funding from other sources, value of donated land or property supported by a third-party appraisal, donated infrastructure/site preparation/construction materials, donated professional services, labor, etc.

Building Standards and Accessibility

- All construction and rehabilitation work must conform with current building codes and zoning ordinances
- All projects must comply with the Fair Housing Act
- All new construction and any rehabilitation projects that replace or expose interior walls and doors must incorporate visitability standards such as the examples below:
 - 36" doors for all living areas
 - Outlets mounted not less than 18" above floor covering
 - Reinforced walls in certain areas for later installation of grab bars

Continued Affordability

*Affordability will be ensured through use of a deed restriction, land use agreement, or covenant

Time Period	HAHTF Investment
20 Years	<\$30,000 Acquisition and/or rehabilitation
25 Years	\$30,001 - \$100,000 Acquisition and/or rehabilitation
30 Years	\$100,001 - \$400,000 Acquisition and/or rehabilitation
35 Years	\$400,001 - \$1,000,000 Acquisition and/or rehabilitation and all conversion and new construction projects

Rental, Temporary, Transitional Housing

- **Rent Limits** – in the absence of a primary funding source with rent limits, the least restrictive limits established by either the Montana LIHTC or HOME program will be required - \$1,003/month for a 2-bedroom unit
- **Financing Structure**
 - Permanent Loans up to \$400k, at least 1% interest rate and non-permanent housing can qualify for partial loan forgiveness
 - Construction Loans up to \$1 million, at least 1% interest rate and non-permanent housing can qualify for partial loan forgiveness
- **Mixed use and/or Mixed Income** - at least 50% of housing units must house low-to-moderate income households

Single Family Dwelling Unit Development

- Cost Limits – Cannot exceed purchase price limits set by Montana Housing (L&C County currently at \$481,176)
- Mixed Use and/ Mixed Income – at least 50% of housing units must house low-to-moderate income households
- Financing Structure/Requirements – Non-Land Trust Development
 - City staff will assess each project to determine that the loan is no more than what is necessary and that the sources and uses are reasonable
- Financing Structure/Requirements – Land Trust Development
 - Financing Terms – potential for grants as the land trust model ensures affordability in perpetuity

Homebuyer Assistance

The applicant must submit a proposal that details the operation of the program, as well as:

- Processes used to determine beneficiary eligibility
- Compliance with HAHTF requirements
- How the applicant will manage and repay HAHTF funds
- Documented match funds

Application Submission & Admin Procedures

Submission:

- Applications will be considered twice a year
- A non-refundable fee of \$200 will be due upon submission
- Will be using a shared OneDrive folder with each applicant

Admin Procedures:

1. City staff review for eligibility and completeness
2. Applicants present projects to City staff and Advisory Board
3. Advisory Board makes recommendations to the City Commission
4. City Commission makes final award and funding decisions

Advisory Board

7 Members representing real estate, finance, architecture or engineering, lived experience of housing insecurity, and non-profit housing providers

Members will serve a three-year term on a volunteer basis and cannot serve more than two consecutive terms

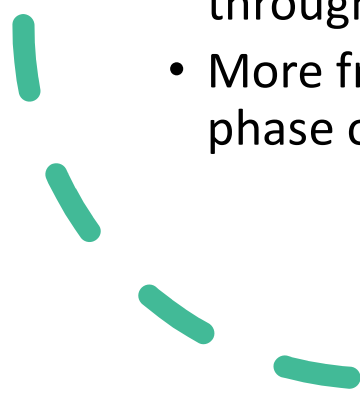
The Advisory Board will finalize program documents, review applications and make recommendations to the Commission

Periodically review program documents to address changing needs



Recipient Requirements

- Written Agreements
 - Loan Agreement with terms and conditions
 - Deed Restriction to secure investment for the period of affordability
- Ongoing Compliance, Recordkeeping, Reporting
 - The Applicant must maintain records and complete annual reports to the City throughout the entire period of affordability
 - More frequent and detailed reporting will be required during the construction phase of a project

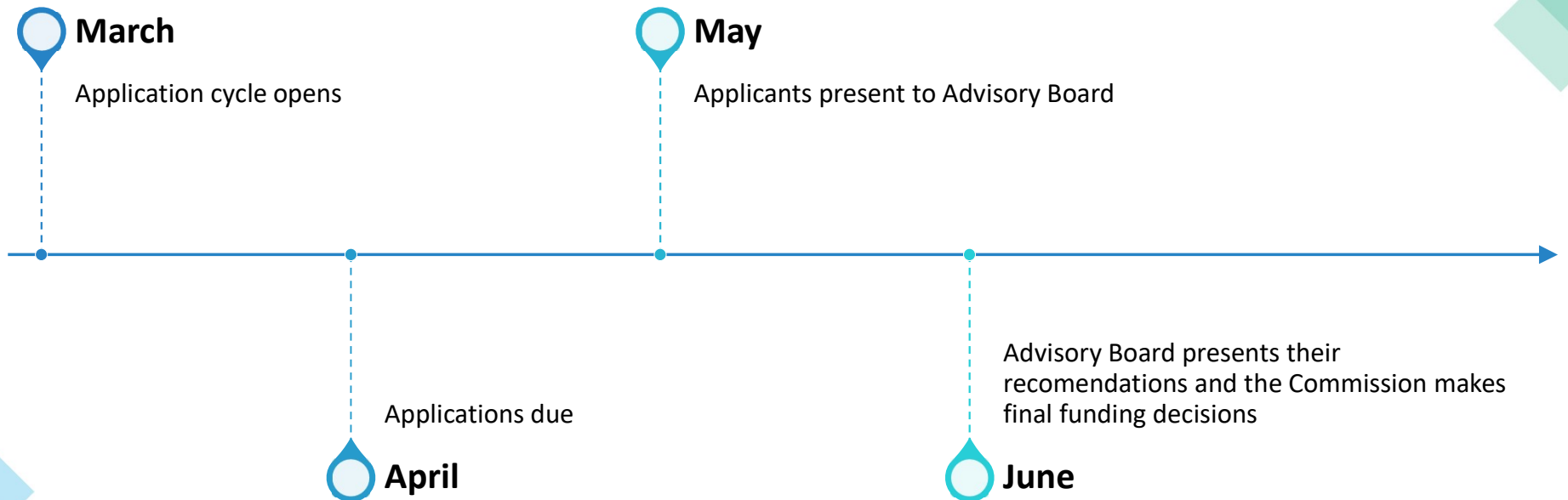




Application Process Overview



Spring 2024 Application Timeline - Draft





HAHTF Goals and Funding Availability

- Reiterates purpose of fund: To add , improve or support permanent, transitional, and/or temporary housing.
- \$100k withheld to address unanticipated housing-related emergencies
- Approximately \$1 million of funding is available

Application Contents

- Project description
- Applicant information: resumes and descriptions of qualifications and relevant experience
- Project financials, including descriptions of any assumptions used
- Evidence of sufficient market demand for project or program
- Implementation schedule
- Relocation plan, if applicable
- Narrative or 3rd party reports addressing environmental concerns

Review Process

City Staff Review:

- Project or program eligibility
- Application completeness

Advisory Board Review:

- Criteria in Application
- Evaluation Guide
- Ranking Applications
- Passing recommendations along to the Commission

Questions?

Please contact the City's Community Development Department:

- 406.447.8490
- citycommunitydevelopment@helenamt.gov