

# RESOLUTIONS OF THE CITY OF HELENA, MONTANA

## RESOLUTION NO. 20630

### A RESOLUTION ESTABLISHING AN AFFORDABLE HOUSING TRUST FUND TO MEET AFFORDABLE HOUSING NEEDS IN THE CITY OF HELENA

**WHEREAS**, the Tri-County Housing Task Force completed a 2018 Tri-County Housing Needs Assessment;

**WHEREAS**, the Tri-County Housing Needs Assessment set forth an action plan for implementation;

**WHEREAS**, many action items in the Tri-County Housing Needs Assessment require funding and financial support;

**WHEREAS**, the City of Helena has adopted a Growth Policy that has a goal of safe, available, accessible and affordable housing for all Helena residents;

**WHEREAS**, the City of Helena's Growth Policy includes the objective of supporting and expanding the supply of housing for lower income, senior citizens, persons with disabilities, homeless and others with special needs;

**WHEREAS**, the City of Helena's Growth Policy includes the objective of supporting the preservation and rehabilitation of the existing housing stock; and

**WHEREAS**, many of the goals, objectives and action items contained in the Growth Policy related to safe, available,

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accessible and affordable housing require funding and financial support.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF HELENA, MONTANA:**

**Section 1.** The Helena Affordable Housing Trust Fund ("Trust Fund") is established and consists of funds identified below and any other appropriations as determined from time to time by legislative action of the City Commission. The City Manager must maintain a separate Affordable Housing Trust Fund and any required related subsidiary funds.

**Section 2.** The following funds or revenues must be dedicated to the Trust Fund.

a. Private donations or contributions designated for the Trust Fund.

b. Principal and interest payments made by borrowers to the City for outstanding Trust Fund Loans.

c. Fines and penalties that are imposed by the terms of any grant or loan made from the Trust Fund.

d. Revenue generated from the sale of City-owned land and assets that are not, by law or other City policy, dedicated to an

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existing enterprise fund or previously designated use will be dedicated to the Trust Fund.

**Section 3.** The City Manager must include a \$100,000 transfer from the General Fund to the Trust Fund in the City Manager's fiscal year preliminary budget.

**Section 4.** At least ten percent (10%) of annual tax increment funds generated in urban renewal districts must be prioritized and segregated for the support of affordable housing projects within each respective urban renewal district. Expenditure of tax increment funds must still be approved pursuant to section 7-15-4231 or 4232, Montana Code Annotated.

**Section 5.** The City Manager will also investigate other methods to capitalize and support the Trust Fund including but not limited to:

a. identifying additional financial resources such as private-sector funds through strategic partnerships facilitated by the City; and

b. identifying "prioritized funds" within enterprise funds that will not be transferred to the Trust Fund but can be used to support affordable housing projects through development of

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necessary infrastructure attendant to providing city infrastructure and services to such projects.

**Section 6. Use of the Trust Fund.** The Trust Fund may be used to:

- a. Donate, provide, or pay all or a portion of the costs of land for the construction of affordable housing on that land;
- b. Donate, provide, or pay all or a portion of the costs of conversion or renovation of existing buildings into affordable housing;
- c. Provide or pay all or a portion of the costs of financing of infrastructure to support affordable housing projects;
- d. Provide or pay all or a portion of the costs of acquisition, development, construction, financing, operating, or owning affordable housing;
- e. Pay all or a portion of the up-front costs associated with permitting, plan reviews, and water and wastewater system development fees;
- f. Provide or pay all or a portion of the costs associated with consumer housing programs and services;
- g. Provide loan guarantees to affordable housing projects;



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h. Provide gap financing for affordable housing projects;  
and

i. 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%) percent of the amount of revenue received in the fund that year.

**Section 7. Other Requirements for Use of Trust Fund.** Use of the Trust Fund must comply with the following:

a. Beneficiaries. The beneficiaries of the housing must be limited to households of low- or moderate-incomes. Lower or higher income requirements may be established for specific projects to meet community housing goals.

b. Match. All projects and programs funded from the Trust Fund must have some committed match requirement. Sources of match may include other project financing, federal community development block grants, federal HOME investment funds, low-income housing tax credits and owner equity, or any other sources in accordance with the approved administrative policies and procedures developed by the City Manager. Financing and funding from other sources must be

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committed prior to the release of Trust Fund funds.

c. Terms of the Loan. Loan terms will vary with the type of development proposal. Loan terms and conditions will be outlined in the administrative policies and procedures.

d. Restriction. Funds loaned or granted to an organization may only be used for the activity or project for which the loan or grant was approved. The funds cannot be expensed (thereby reducing the amount of the asset on the organization's balance sheet) except in cases where an unpreventable loss occurs and when approved by the Helena City Commission.

**Section 8. Trust Fund Administration.** The Trust Fund is administered by the City Manager who will develop administrative policies and procedures for the Trust Fund and periodically review to respond to changing housing needs and market conditions. The administrative policies and procedures for the Trust Fund must be approved by the City Commission at a regular commission meeting. All funds shall be allocated in a manner consistent with the provisions of this section and administrative guidelines. Loans and grants shall be disbursed according to standard City procurement practices. Applications for funding must be reviewed according to

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evaluation criteria contained within the administrative policies and procedures. The City Manager may establish and maintain a reserve fund account adequate to preserve the ability of the Trust Fund to take maximum advantage of unforeseen opportunities in assisting housing and to ensure against unforeseen expenses. The amount to be maintained in this reserve fund will be determined by the Helena City Commission with recommendation by the City Manager.

**Section 9. Definitions.** As used in this Resolution the following definitions apply unless specified otherwise:

a. Administrative Policies & Procedures - the administrative policies and procedures approved by the Commission that outline application, evaluation, and all other administrative policies and procedures associated with the Trust Fund.

b. Affordable housing - residential housing primarily for persons or households of low or moderate-income as defined by the administrative policies and procedures.

c. Allowable uses - those uses for the Trust Fund that are set forth in the Use of the Trust Fund section above.

d. Consumer Housing Programs - programs and services provided to housing consumers to support them in meeting their

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housing needs and reaching their housing goals. These might include financial support or counseling and education programs.

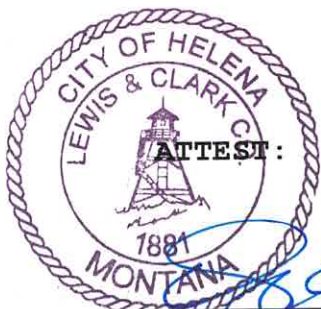
e. Gap Financing - a short-term loan for the purpose of meeting an immediate financial obligation.

f. Match - the dollar value of other resources committed to projects funded by the Trust Fund. Each dollar committed to the project that is not generated from the Trust Fund shall be considered as match.

g. Infrastructure - any basic physical and organizational structures and facilities needed for an affordable housing project.

**Section 10. Conflict.** To the extent this Resolution conflicts with the fiscal year resolution establishing budget authorities this Resolution controls.

**PASSED AND EFFECTIVE BY THE COMMISSION OF THE CITY OF HELENA, MONTANA, THIS 9<sup>TH</sup> DAY OF NOVEMBER, 2020.**



CLERK OF THE COMMISSION

  
MAYOR