

SUMMARY OF ADMINISTRATIVE MEETING

April 25, 2018– 3:30 p.m.

Room 326

City-County Building

316 N. Park Avenue, Helena

1. Call to order, introductions, opening comments – Mayor Collins called the meeting to order. Commissioners Haladay, Noonan and O’Loughlin were present. Commissioner Farris-Olsen was excused. Staff present was: City Manager Ron Alles; Executive Assistant Sarah Elkins; City Attorney Thomas Jodoin; Deputy City Attorney Iryna O’Connor; Police Captain Curt Stinson; Assistant Fire Chief Ken Wood; Community Development Director Sharon Haugen; Parks & Recreation Director Amy Teegarden; Administrative Services Director Glenn Jorgenson; Human Resources Director James Fehr and City Clerk Debbie Havens.

Others in attendance included: Rocky Mountain Development representatives Lori Ladas and Liz Mogstad; Helena Housing Authority Board member Sherri Downing; Helena Habitat for Humanity representative Jacob Kuntz; Helena Building Industry representative Charles Casteel; United Way Director Allison Munson, Homeward representatives Andrea Davis and Heather McMillin; Laura Erickson; HCC representatives Maureen Kiely and Pat Christian; Jane Anthony, Denise Cummings, and WGM Consultant Anne Cossitt

2. Department discussions:

Community Development

Housing Efforts/Opportunities in Helena

- Introduction and Background
- Current City Projects
- Helena Housing Authority
- Rocky Mountain Development Council
- Helena Area Habitat for Humanity
- Helena Building Industry Association
- United Way and Partners
- Presentation by Homeward on Potential Housing Opportunities

Manager Alles introduced the agenda item and noted the commission asked to have the conversation on housing, what is being done and what can be done. Housing has been separated from the surplus property discussion.

Community Development Director Haugen stated the purpose of this meeting is to provide information and gain direction and guidance for City staff as it relates to housing. The goal of the 2011 Helena Growth Policy is to provide “*Housing that is safe, available, accessible and affordable for all sections of the population.*” Objectives identified in the growth policy for accomplishing this goal include (a) work with nonprofit agencies to maximize housing resources for low- and moderate-income residents, (b) support infill development of additional housing, and (c) encourage housing in proximity to existing infrastructure. Over the course of time, the City has partnered with various agencies to sponsor grants and offer assistance to various organizations that provide housing in the community. This includes donating lots to both Helena Area Habitat for Humanity and Montana Youth Homes, sponsoring grants for RMDC, as well as other non- profit agencies, enabling to build affordable housing units and group homes not only for low- and moderate-income residents but also for the disabled community members, homeless youth and others.

Currently, the City is working with various partners on the following projects:

- Guardian Apartments: City sponsored a \$1.2 million HOME grant to further rehabilitate the 118 unit building;
- Center for Mental Health: City sponsored a \$450,000 CDBG grant to construct a group home for clients who are experiencing homelessness;

- Helena Housing Authority: City is working on a CDBG Planning grant to complete a review/CIP for housing authority properties; and
- Neighborworks Great Falls /Helena Area Habitat for Humanity: City is working on submitting a CDBG Small-Scale Single-Family Housing Rehabilitation grant.
- The City is also a partner in the efforts for completing the Tri-County Housing Needs Assessment that will be finalized later this year. A copy of the preliminary results were given to the commission.

Representatives from the housing providers in the greater Helena community, who will present information regarding their current and future efforts in the community. In addition to the presentation by the local housing providers, there will be a presentation from Homeword, Inc. (headquartered in Missoula). Their mission is to use “*sustainable methods to provide safe, healthy homes people can afford and strengthens community through housing counseling and education for those in need.*” Homeword staff completed projects in Billings, Bozeman, Great Falls, Lewistown, and Missoula. Homeword representatives will be providing information on some of their projects in these communities and speaking about potential partnerships/project in the Helena area.

Director Haugen also referenced the Tri-County Needs Assessment Survey preliminary results.

- Helena Housing Authority – Sherri Downing, HHA Board member gave the history of Helena Housing Authority and the services provided. HHA has partnered with the city in the past and hopes to again. She addressed the clients served by HHA and the continued need in the community. HHA is working to assist people to obtain housing, both Section 8 vouchers and public housing. The biggest challenge is preserving and renovating the current facilities. Currently working with city on a CDBG to complete a review/CIP for housing authority properties. A packet of information on HHA was given to the commission for their review.

Manager Alles noted the city has assisted the HHA for the reconfiguration of Stewart Homes, which is ready to go once funding has been identified.

- Rocky Mountain Development Council – Liz Mogstad, Director of Housing, reported RMDC has been involved in eight tax credit projects. RMDC in the past has targeted senior living projects and will continue to pursue housing projects. On June 4th, RMDC will submit an application to the State Board of Housing for a new development; which will target both families and seniors. If successful there will be partnering opportunities with the city.

Commissioner O’Loughlin asked if RMDC has submitted this project for funding in the previous years. Ms. Mogstad stated not this specific project; they have submitted the last two years for senior development.

Commissioner Noonan asked if there is something, as an individual commissioner, he could do to support RMDC’s application. Ms. Mogstad stated letters of support would be great and if anyone wanted to attend the June 4th presentation; that too would show support.

Commissioner O’Loughlin asked how many units are being proposed. Ms. Mogstad stated there are 80 units being proposed and the identified property is at the corner of Brady and Henderson Avenue.

- Helena Area Habitat for Humanity – Jacob Kuntz, Executive Director spoke on the services provided by Habitat for Humanity. In Helena, 32 homes have been built in the last 22 years. There was a “wall raising” event held today for six new units that will be built in 2018 and hopefully another eight new units will be built in 2019. Mr. Kuntz spoke of the various funding sources Habitat has received and can provide to the community. It is important to partner with all organizations. There is now a home repair component of Habitat for Humanity and they work closely with RMDC through the weatherization

program. There is a real need for debt management and credit counseling for potential home owners and Habitat is currently working with partners to accomplish this.

Commissioner O'Loughlin asked what the average income level is served by Habitat for Humanity. Mr. Kuntz stated they serve the 30 to 80 percent of median income households. This qualifies a lot more people to participate in the program.

- Helena Building Industry Association – Charles Casteel, HBIA Board member, spoke of the importance to create strong relationships with the city and other partners in the city and to be part of the solution on affordable housing.
- United Way and Partners – Allison Munson updated the commission on United Way's role in bringing everyone to the table to find solutions to community issues. Ms. Munson spoke on the Helena Resource Advocates and the role they are taking in the community that are addressing bed bugs, landlord/tenant relations, and using the Housing First model to address the homeless in the community. United Way is committed to partnering with others to continue working on solving the homeless issue.
- Presentation by Homeword on Potential Housing Opportunities – Andrea Davis and Heather McMilin gave a PowerPoint presentation on Homeword and spoke of the many opportunities and funding sources that are available to address affordable housing in Montana. They also addressed the importance of partnerships and working with local governments.

Ms. McMilin encouraged the commission to support RMDC's application for the multi-family housing development by sending letters of support or attending the June 4th presentation.

Commissioner O'Loughlin asked if there are any thoughts on the whole dynamic of low income expiring tax credit projects. It doesn't seem to be an issue in Helena, for the short term but potentially will become one in the next decade. What have other communities done as the projects have expired out of the tax credit program; how did they keep the project low income housing. Ms. Davis stated expiring tax credit projects are a concern and preserving affordable housing is just as important as the development. She used the Creekside Development in Missoula as an example of where Homeword purchased the development to keep it as affordable housing when the tax credit expired. There are different types of housing financing available to assist in preserving housing projects and keeping them as low income. Ms. Davis gave several examples of financing that Homeword has used to purchase and preserve low income housing.

Liz Mogstad stated the current tax credit projects in Helena are either owned or managed by RMDC or the Helena Housing Authority and have at least 15-years before they expire. As long as RMDC owns the properties, they will remain affordable.

Commissioner O'Loughlin asked if the city of Missoula had a role in the development of the land trust. Ms. Davis stated not in the form of any jurisdictional area. Due to the size of the cities, Great Falls, Missoula and Billings all receive their own CDBG funding and the staff in Missoula has granted funds to the Land Trust. In addition, the city of Missoula has their own housing department that will monitor the deed restrictions.

Ms. Davis explained the Land Trust is a non-profit that by agreement agrees to hold ownership of the piece of property that then removes the property costs of a development and makes the house/development affordable.

Jacob Kuntz stated land acquisition is an issue; he continues to explore all options to develop single and multi-family developments.

Commissioner O'Loughlin asked if there are any thoughts on homeownership design; what are the demands for housing and how do they coordinate with city zoning and development regulations. As a board member of Neighborworks of Montana, she recognizes the challenges there are to actually being able to build a house that is affordable when there are specific requirements.

Director Haugen noted this question has been asked of the consultant who is working on Downtown TIF District and she will address any barriers that impact building affordable housing ,

including the zoning ordinance and infrastructure costs. The city is restricted in what we can do with building codes. These are some of the items the consultant and staff will be looking at when the results of the housing needs assessment are available.

Mr. Kuntz noted covenants in specific developments also increase the costs in the development of low income housing. He spoke of using specific plan sets that are used to keep the costs down; the land size is not the issue in many cases.

Mc. McMilin stated there is a lot a city can do; review the zoning code and update the definitions and review infrastructure costs.

Commissioner Noonan stated there is a commitment in our community to work together to solve the homelessness issue in Helena. There is a great desire to work with the various organizations to provide additional affordable housing/rental units in Helena. The city needs to create priorities on what we can work on.

Commissioner O'Loughlin referenced how Homeward used the TIF funding and asked if that is a possibility in Helena. Director Haugen stated the conversation on affordable housing is part of creating the Downtown TIF District. The Downtown Master Plan addresses affordable housing and the statement of blight required for the Downtown TIF District also addresses affordable housing. In addition, the Downtown Census tract has been designated an opportunity zone, which will encourage affordable housing as an investment opportunity. The Downtown Master Plan also addresses the issue of using the city's surplus property to partner in the development of affordable housing.

HHA Board member Sherri Downing asked if the city has looked at social impact funds. Director Jorgenson stated he does not know a lot about this and will do some research on it.

Commissioner Haladay commented we have heard a lot of positive information; how do we keep the ball rolling and have staff bring back a recommendation with tangible outcomes. What would it look like if the city wanted to assist RMDC in pursuing their proposed development. He suggested creating internal possibilities to assist in the development of affordable housing and continue having these discussions.

Manager Alles commented in order to have tangible outcomes two things need to happen; reduce costs affiliated with building or install the infrastructure; those costs will have to be funded through the budget. Commissioner Haladay recommended we look at ways to remove the hard and soft costs of development of affordable housing. What are other communities doing.

Director Haugen stated the community needs assessment will also provide additional information and the results should be available in June/July. She recommended the commission receive an update on affordable housing in August.

Commissioner O'Loughlin asked staff to look at what happened in Whitefish and Helena's TIF Downtown District and understand how housing fits into it. Director Haugen again referred to the consultant working on the Downtown TIF District and noted the visioning for the district has not even begun; however, housing will definitely be included in the plan.

Commissioner Noonan asked is there something specific that could be included in the FY19 budget that would provide an incentive to assist in the development of affordable housing. The benefit could be limited to one project and the city could learn from it.

Additional discussion was held on what other communities have done to assist with the development of affordable housing.

Commissioner O'Loughlin commented senior housing is important; however, she supports RMDC's proposal to include families.

8. Public comment – Leanne Taylor, Helena Realtors Association, stated the housing needs assessment will provide the information where the city can look at addressing this issue. The Realtors Association wants to be part of the solution.

9. Commission discussion and direction to City Manager – No discussion held.

10. Adjourn – The meeting adjourned at 5:20 p.m.