



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 \$2.1 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 (\$55k for HH of 1, \$78k for HH of 4)

With Advisory Board recommendation and approval by City Commission, could go up to 120% AMI (\$82k for HH of 1, \$118k 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 - \$923/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 \$349,525)
- 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

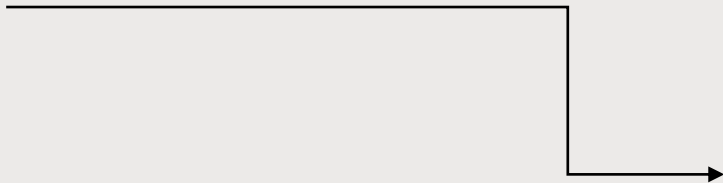


Application Process Overview

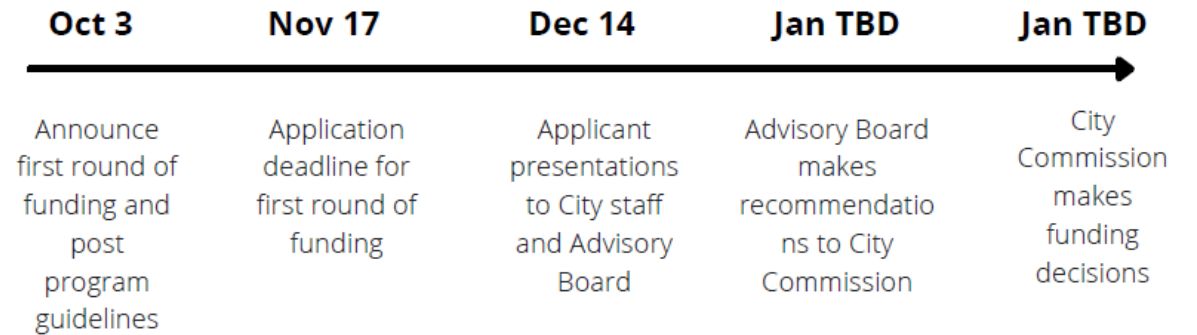


Application Schedule

- Two application cycles per year, one in the fall and one in the spring
- Fall Timeline:



Affordable Housing Trust Fund Timeline





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
- When the application round is announced, this section will include the total amount of funding available for projects

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 Housing Coordinator:

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