

## MEMORANDUM

**DATE:** April 8, 2022

**TO:** Committee of the Whole

**FROM:** Montana James, Rikki Henderson, Emily Harris-Shears, Aubrey Godbey-Community Development Division

**RE:** Program Year 2022 Community Development Unified Funding Round Affordable Housing Trust Fund Recommendations

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Community Planning, Development & Innovation staff members, Councilmember Mirtha Becerra and Councilmember Kristen Jordan reviewed **eleven** applications received in the Unified Application funding round for Affordable Housing Trust Fund, Community Development Block Grant, and HOME Investment Partnership funding. Affordable Housing Trust Fund requests exceeded the available allocation by \$371,728.

### **Affordable Housing Trust Fund Allocation Plan**

The Affordable Housing Resident Oversight Committee and Mayor Engen approved Program Year 2022 Allocation Plan in December 2021. The primary purpose and vision of the Affordable Housing Trust Fund is to respond to community need for housing solutions that create and protect housing solutions residents can afford. The Affordable Housing Resident Oversight Committee prioritized new construction and preservation in the annual Allocation Plan.

### **Application Process and Support**

Applications materials were posted in late December and were due to the Community Development division by 4:00pm on Tuesday, February 22, 2022. A funding workshop was hosted on Monday, January 10, 2022 on Zoom and shared on YouTube. Community Development staff provided technical assistance to applicants throughout the open funding round.

### **Application Scoring Criteria**

The scoring committee used a standardized rubric that was published with application materials to award points in ten categories:

- Project design
- Demonstrated knowledge of community need
- Impact and Outcomes
- Financial feasibility
- Timeliness/readiness
- Committed match fund (Staff scoring)
- Completeness of application (Staff scoring)
- *Preventing displacement (Staff score bonus)*
- *Innovation (Staff scored bonus)*
- *Funding Request Type (Staff scored bonus)*

### **Funding Recommendation**

Community Development staff on behalf of the scoring committee recommend and ask the Mayor and Missoula City Council to approve awarding four Affordable Housing Trust Fund awards.

- **Habitat for Humanity's Modular Home Project for \$190,250.** Habitat for Humanity will purchase two modular homes from Homeword and place them on a parcel of land owned by the

organization. Two homeowners with Area Median Incomes below 80 percent will purchase the homes and have mortgages that limit their housing expenses to no more than 30 percent of their income. This project prevents displacement for two households. Habitat for Humanity and Homeword have an acquisition timeline that is more urgent than the proposed funding recommendation process, and we are advancing this recommendation ahead of the plan to bring the remainder of recommendations in May when the HUD Action Plan has been submitted. This project is eligible for funding as new construction and preservation/acquisition.

- **North Missoula Community Development Corporation's (NMCDC) Wolf Street project for \$340,000.** NMCDC will purchase the land under two apartment buildings and an adjacent house in the Northside neighborhood and convert the structures to a Community Land Trust or a Housing Cooperative. NMCDC is leveraging partnerships with community members, Neighborworks Montana and current residents to design the model and ensure that current tenants will remain housed and have design making power in the stewardship approach they move forward with. This project is eligible for funding as a preservation/acquisition project.
- **Homeword's Homeownership Center Programs for \$15,000.** Homeword will continue to administer their popular and supportive financial and housing education and counseling programs to support Missoulian's access to housing, saving and reaching personal goals. This project is eligible for funding as a Consumer Housing Program.
- **Ravara Development's Scott Street Community Land Trust project for \$500,950.** Ravara will receive a loan to support the construction costs associated with building the 78-unit community land trust in the Northside neighborhood. The development will include a mix of units ranging in size from studios to four-bedroom townhomes. The development is a combination of condominiums and townhomes. When constructed, it is expected to be the largest CLT community in the state of Montana. Units will be sold to households with incomes up to 120 percent Area Median Income. This project is eligible for funding as new construction.

#### **Rationale:**

The scoring committee elevated strengths of all four recommended projects including alignment to values of diversity, innovation, collaboration, and achievability outlined in the housing policy, A Place to Call Home. Additionally, the ability to preserve and protect naturally occurring affordable housing, test diverse housing type development and build replicable models for future projects were important components scoring committee.

#### **Impact to Affordable Housing Trust Fund Balance:**

With the recommendation to fund four projects, the full PY'22 allocation will be directed to projects in the community to create and preserve housing Missoulians can afford. Additionally, \$261,550 is available through the reserve balance to be utilized to support urgent and emergent preservation/acquisition projects that cannot wait until the next competitive award cycle to request funds.