



**City of Missoula, Montana  
City Council Committee Agenda item**

**Committee:** Housing, Redevelopment and Community Programs

**Item:** Affordable Housing Trust Fund Reserve Balance Funding  
Recommendation for Bonnie's Place Resident Owned Community

**Date:** February 8, 2023

**Sponsor(s):** Emily Harris-Shears

**Prepared by:** Emily Harris-Shears

**Ward(s) Affected:**

<input type="checkbox"/> Ward 1	<input type="checkbox"/> Ward 4
<input type="checkbox"/> Ward 2	<input type="checkbox"/> Ward 5
<input type="checkbox"/> Ward 3	<input checked="" type="checkbox"/> Ward 6
<input type="checkbox"/> All Wards	<input type="checkbox"/> N/A

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**Action Required:**

Set a public hearing to consider the funding recommendation made by the Affordable Housing Resident Oversight Committee

**Timeline and Recommended Motions:**

Committee discussion: 2/8/2023

Council sets public hearing: 2/13/2023

Recommended motion: Set a public hearing for Monday, February 27, 2023, to consider the funding recommendation made by the Affordable Housing Resident Oversight Committee to fund NeighborWorks Montana to facilitate the acquisition of a manufactured home community in the Franklin to the Fort neighborhood.

Public Hearing: 2/27/2023

Final Consideration: 3/06/2023

Recommended motion: Approve the funding recommendation made by the Affordable Housing Resident Oversight Committee to award NeighborWorks Montana \$181,550 to acquire the Twen Tre/Bonnie's Place manufactured home community to convert to a Resident Owned Community and authorize the mayor to sign the contract between the City of Missoula and NeighborWorks Montana.

Deadline: 3/06/2023

**Background and Alternatives Explored:**

The Affordable Housing Resident Oversight Committee and Mayor Hess approved the Program Year 2023 Allocation Plan in December 2022. 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 options residents can afford.

To remain responsive to community needs and build a pipeline of projects in development, at least one competitive award cycle for the Affordable Housing Trust Fund is administered per year. In addition, a reserve balance can be retained to provide an opportunity to fund emergent and time sensitive projects. The reserve balance amount is set by the Affordable Housing Resident Oversight Committee during the Annual Allocation Plan process. A maximum of 20 percent of the

available award balance can be reserved annually. The Affordable Housing Resident Oversight Committee opted to roll-over the unspent reserve balance funds from PY 2022 to PY 2023 to support preservation and acquisition of projects that will protect housing access and affordability. The reserve balance is intended for urgent or emergent preservation projects/acquisitions that cannot wait until the next competitive application cycle that will preserve and/or protect affordability for residents. Applications will be vetted administratively and brought to the Affordable Housing Resident Oversight Committee. The Affordable Housing Resident Oversight Committee will have oversight of the reserve balance and will be called together for emergency meetings as needed to hear project proposals and vote on the use of the reserve balance funds. Projects that are recommended for funding from the Affordable Housing Resident Oversight Committee will be referred to City Council to authorize the mayor's approval and contract signature.

NeighborWorks Montana applied to receive \$181,550 in grant funding to support the purchase of a 24-unit manufactured home community in the Franklin to Fort neighborhood. The requested funds will support the land purchase and preserve housing for 28 households that currently own or rent homes in the park.

NeighborWorks Montana and residents have until March 21, 2023, to complete the purchase of this manufactured home community or it will be sold to an outside buyer and likely redeveloped, which could displace the households that currently live there.

**Financial Implications:**

If the request from NeighborWorks Montana is recommended for funding, the reserve balance will have a zero balance. Staff anticipate revenue from the sale of city owned land in the spring or summer of 2023. The PY 2023 Allocation Plan directs that the Affordable Housing Resident Oversight Committee will revisit the allocation plan when revenue is received and can re-allocate funds to the reserve balance at that time. It is also anticipated that a second competitive application cycle will be administered when revenue is received, which provides further opportunity for upcoming projects to receive investment.

**Links to external websites:**

<https://www.nwmt.org/>