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To:	Emily Harris-Shears
Cc:	Grp. City Council and City Web Site
Subject:	my comment-- draft Affordable Housing Trust Fund Policies and Proceedures
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Affordable Housing Trust Fund—Policies and Administrative Procedures

Here are my comments and questions:

1. Types of Awards. I've read the entire policy documents, and I am still unclear on exactly what the fund can and cannot be used for. There is a single vague sentence about how the money will actually be spent. What will the fund be used for? For instance, can funds be applied for and used as down payment assistance for eligible borrowers? Nowhere that I can see in this document does it really spell out in a clear way what expenditures from the fund can (and can't) be used for.

2. Period of Affordability. 55 years seems short. The document states that 55 years is considered the "remaining life of the housing unit," but no one builds homes to last that short of a time. We know that housing units last 2 to 3 times longer, and most housing in Missoula is well over 100 years old and still providing a home for the folks which there.

In addition, consider the example provided on page 8:

> "If the subsequent homeowner does not require any subsidy to purchase the home, the **affordability period would end in 3 years** at which time the subsequent homeowner could sell to any buyer at any price."

In this case of homeowner selling housing that originally involved Trust Fund monies, a subsequent buyer could take that property out of affordability in as little as 3 years. Even though the subsequent buyer did not personally require assistance from the fund for their purchase, the property in question was ORIGINALLY been built or funded at least partially with public money from the fund, and therefore should remain affordable for the ENTIRETY of the period of affordability—regardless of whether or not it changes hands. These need to be deed-restricted.

3. Fair Return on Investment—some of this language seems really loose, and could lead to someone making market-rate profit on an investment funded significantly by the Trust. This especially true in fast-rising market like Missoula.

4. Ensuring Long-Term Affordability. The Trust Fund doc states that "the sales price not exceed what is affordable to households below 120% of area median income (AMI)." However, this is likely too high a cap to benefit those who really most need the assistance. For instance, a recent project in the University neighborhood, subsidized by the public in terms of a "right of way" vacation was required by the City to sell some of the units as "affordable," but that ended up being for households up to 120 percent of the median. This allowed the price to be up to $215,000 for a studio and $243,000 for a one-bedroom—prices at that level are not considered affordable by anyone I know in Missoula, and does little to address the real problem of affordability. I recommend the sale price cap in the Trust Fund policy be lowered **below 100** percent AMI.

5. **Accessory Dwelling Units (ADU).** ADU's have serious potential to alleviate the housing crunch in Missoula, but not if they become short-term vacation rentals. There are already hundreds of properties that exist primarily as short-term vacation rentals throughout Missoula. Why? Because owners can earn as much in a week as they can in a month as a long-term rental. That is why any funds from the Trust that are used to construct or upgrade an ADU MUST have a long-term rental requirement placed upon it.

6. Program Monitoring, Review and Evaluation. The draft is short on this, but we must have a rigorous procedure in place to make sure that the Trust Fund is doing what it is supposed to be doing—effectively moving the needle on housing affordability in Missoula. What are the metrics we should be monitoring as we go? An effective review and evaluation process will allow the City to adjust policies to better support the goals.

Thank you for the opportunity to comment.

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"Once in a while you get shown the light in the strangest of places, if you look at it right."