

Affordable Housing Trust Fund

Fiscal Year 2026 Allocation Plan



CITY OF MISSOULA
COMMUNITY PLANNING, DEVELOPMENT AND INNOVATION

Introduction

Missoula's first city-wide housing strategy, *A Place to Call Home: Meeting Missoula's Housing Needs*, was approved by City Council on June 24, 2019. It attempts to both spur and harness the market to better provide housing at a wide range of entry points, and to ensure that all Missoulians can obtain safe and decent homes. *A Place to Call Home* organizes over two dozen specific recommendations into four strategies:

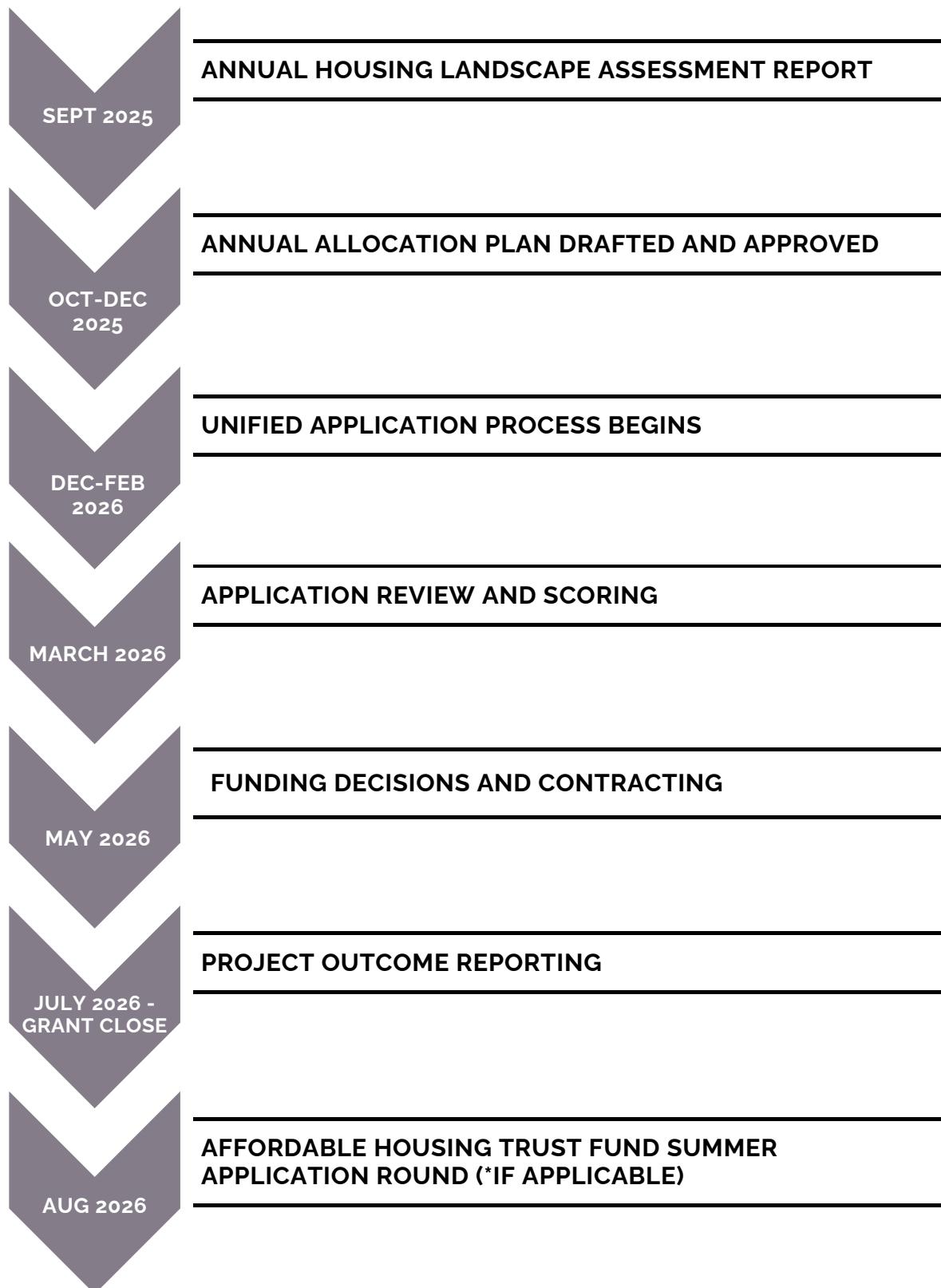
- Track and analyze progress for continuous improvement
- Align and leverage existing funding resources to support housing
- Reduce barriers to new supply and promote access to affordable homes
- Partner to create and preserve affordable homes

Affordable Housing Trust Fund Overview

The creation of the Affordable Housing Trust Fund is an important strategy within *A Place to Call Home* that established a local, flexible funding source to meet the goals of other named strategies. The Affordable Housing Trust Fund was adopted in July of 2020 by Ordinance 3663 with the accompanying Funding Resolution 8440 that solidified the structure for Affordable Housing Trust Fund, including the oversight structure. The Affordable Housing Resident Oversight Committee was established in June of 2021 following the appointment guidance outlined in Ordinance 3663 and the accompanying Amendment 3684, which made key administrative updates to the committee structure.

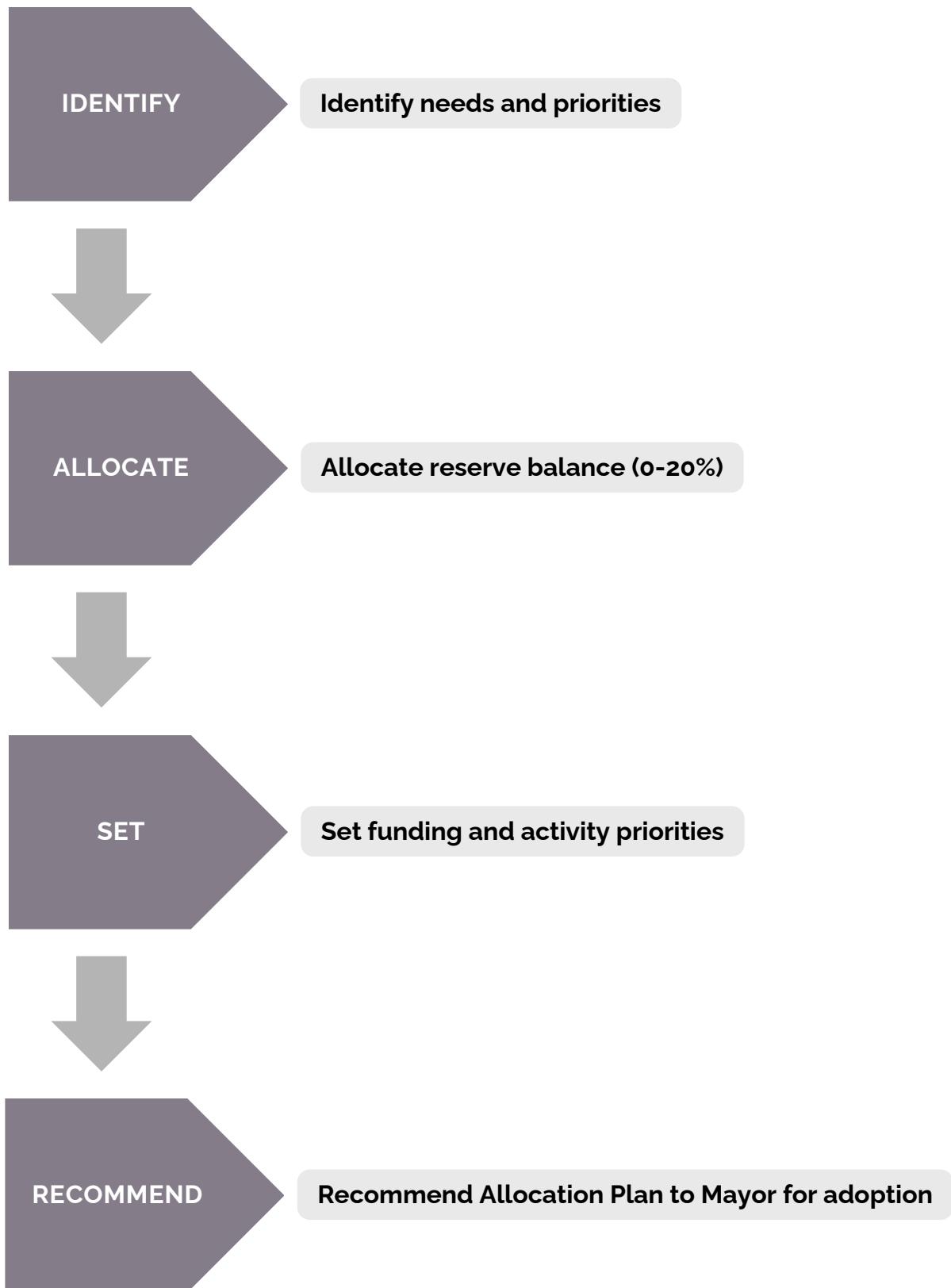
The Affordable Housing Resident Oversight Committee is composed of ten regular and two alternate members. The Committee oversees key functions of the Affordable Housing Trust Fund, including approving the administrative policies, reviewing the annual Housing Landscape Assessment Report, and setting the annual Allocation Plan.

Timeline



*The Affordable Housing Trust Fund may have a summer application round should sufficient additional funding come into the trust fund mid-cycle.

Decision Points



Fiscal Year 2026 Allocation

The Affordable Housing Trust Fund received a **\$100,000** allocation from City Council in the Fiscal Year 2026 budget. The City has also received **\$320,352** in land sale, voluntary incentive, and cash-in-lieu payments which will be included in the total available funds.

To support the administration of the Affordable Housing Trust Fund, 8% of the total is directed toward administrative costs.

Fiscal year 2026 City Council allocation	\$100,000
Additional revenue	\$320,352
8% Administrative allocation	-\$33,628
Total FY 2026 Allocation Budget	\$386,724

Annual Award Cycle

To remain responsive to community needs and build a pipeline of projects in development, at least one competitive award cycle is administered per year.

The primary award cycle will take place in the winter through the Unified Application round and, should sufficient additional funding become available, a second round exclusively for Affordable Housing Trust Funds may take place in the summer.

Reserve Balance

The reserve balance amount will be 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 reserve balance will be held 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 oversee 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.

Program and Project Types

Consumer Housing Services

- Financial/Rental Education and Counseling
- Housing Education and Counseling
- Innovative Education and Counseling
- Community Land Trust Administrative Support
- Income Certification for City Programs
- Housing Solutions Fund
- Housing-focused Case Management
- Tenant Support Programs

Construction of Homes

- Homeownership Development below 120% AMI
- Rental Development below 80% AMI
- Voluntary Incentives Program

Preservation

- Multifamily Acquisition or Rehabilitation
- Mobile/Manufactured Home Preservation & Infrastructure Assistance
- Community Land Trusts
- Small Repair Loans

Recommendations

The Affordable Housing Resident Oversight Committee recommends that, for Fiscal Year 2026, twenty percent of the total award, minus the administrative allocation, be set aside in a Reserve Balance (\$77,344) for urgent and emergent projects that may arise in between funding cycles.

The remaining Fiscal Year 2026 funds (\$309,380) shall be directed toward:

1. Consumer Housing Services
2. Preservation Projects

Preference will be given to projects that provide a direct impact for the largest number of people.

Rationale

Directing FY'26 funds primarily to consumer housing services and applicable preservation and rehabilitation projects will maximize the impact and benefits of the funds and further *A Place to Call Home*'s goals of supporting consumers, promoting homeownership opportunities, preserving existing affordable homes, and preventing displacement.

Consumer housing services encompass a broad range of activities and services that can support current tenants, prospective home buyers, and the organizations that operate consumer housing service programs (education programs, housing-focused case management, housing solutions funds, tenant support, etc.).

Preservation and rehabilitation projects support the preservation of existing affordable homes for homeowners and renters (small repair loan programs, limited equity coops, large and small scale rehabilitation, etc.).

The Reserve Balance was set at the maximum twenty percent to be responsive to urgent opportunities that may arise in between funding cycles to preserve and protect affordability for residents.

Additional Revenue

Staff may recommend administering a second competitive award round over the summer if there is sufficient additional revenue and administrative capacity.

Should additional revenue for the Affordable Housing Trust Fund accumulate to more than \$100,000 through city-owned land sales or other means, the Affordable Housing Resident Oversight Committee may update and revise the Allocation Plan.

Unified Application Round

The goals and priorities for Affordable Housing Trust Fund investments will be established through the Allocation Plan. Staff will open a competitive application process in December that aligns with other funding cycles administered from CPDI including Community Development Block Grant (CDBG) funds.

An application workshop will be hosted to open the application period which will outline funding priorities and set deadlines for submission.

AHTF Summer Application Round

Staff may open a competitive application process in the summer, if sufficient funds are available. Prior to the summer application round, AHROC will revisit the goals and priorities of the AHTF and develop an updated Allocation Plan. Affordable Housing Trust Fund investments will be the only funds available during this round and the amounts and priorities will follow the updated Allocation Plan.

An application workshop will be hosted to open the application period which will outline funding priorities and set deadlines for submission.

Application Scoring

Applications will be reviewed and scored using a standardized scoring rubric that will be published with application materials and made available to all applicants at the time of application.

Applications will be scored by the following criteria:

Initial Staff Screening

- Completeness of Application

Scoring Committee Criteria:

- Match (5 pts)
- Demonstrated Knowledge of Community Need (25 pts)
- Project Design (15 pts)
- Impact (10 pts)
- Outcomes (10 pts)
- Capacity (5 pts)
- Financial Feasibility (25 pts)
- Readiness & Timeliness (5 pts)
- Funding Request Type (5 bonus points for loan vs. grant)

Contingencies

It is understood that there may be circumstances in competitive rounds that the priorities set by the Affordable Housing Resident Oversight Committee cannot be completely fulfilled. If applications received do not completely align with the priorities set for this award year, staff should follow contingencies for funding, including:

1. Staff will strive to award the full balance allocated for each round and will move any unawarded funds to funding activities that have deficits in available award and viable/high scoring project requests, as applicable;
2. Consider any allocation amounts for New Construction and Preservation to be fluid in order to reflect the priority of creating and preserving affordable stock. Trust the scoring committee to determine priority between construction and preservation depending on application strength;
3. If the full balance is not applied for and/or recommended for funding in the Unified Application Round, the balance should be transferred to the Reserve Balance;

Public Participation

The draft Allocation Plan was posted to Engage Missoula from November 1 2025, through November 30, 2025, to encourage feedback and insight from the community. Feedback was collected and provided to the Affordable Housing Resident Oversight Committee to inform the final version.

Approval and Adoption

The Affordable Housing Resident Oversight Committee will recommend the adoption of the final plan to the mayor who will make the final approval determination.

Approval and Adoption

The Allocation Plan is recommended for adoption by the Affordable Housing Resident Oversight Committee on Tuesday, December 9, 2025.

Aye: Paul Herendeen, Hannah Kosel, Julie Pavlish, Emily Shankle, Sam Oliver, Frank Reed

Nay:

Abstain:

Not Present: Kristin Langan, Amber Sherrill, Sherri Lee, Andrea Davis

APPROVED:



ANDREA DAVIS, MAYOR

ATTEST:



Claire Trimble (Dec 19, 2025 15:37:42 MST)

CLAIRE TRIMBLE, CITY OF MISSOULA CLERK



A 10827: Affordable Housing Trust Fund FY 2026 Allocation Plan

Final Audit Report

2025-12-19

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