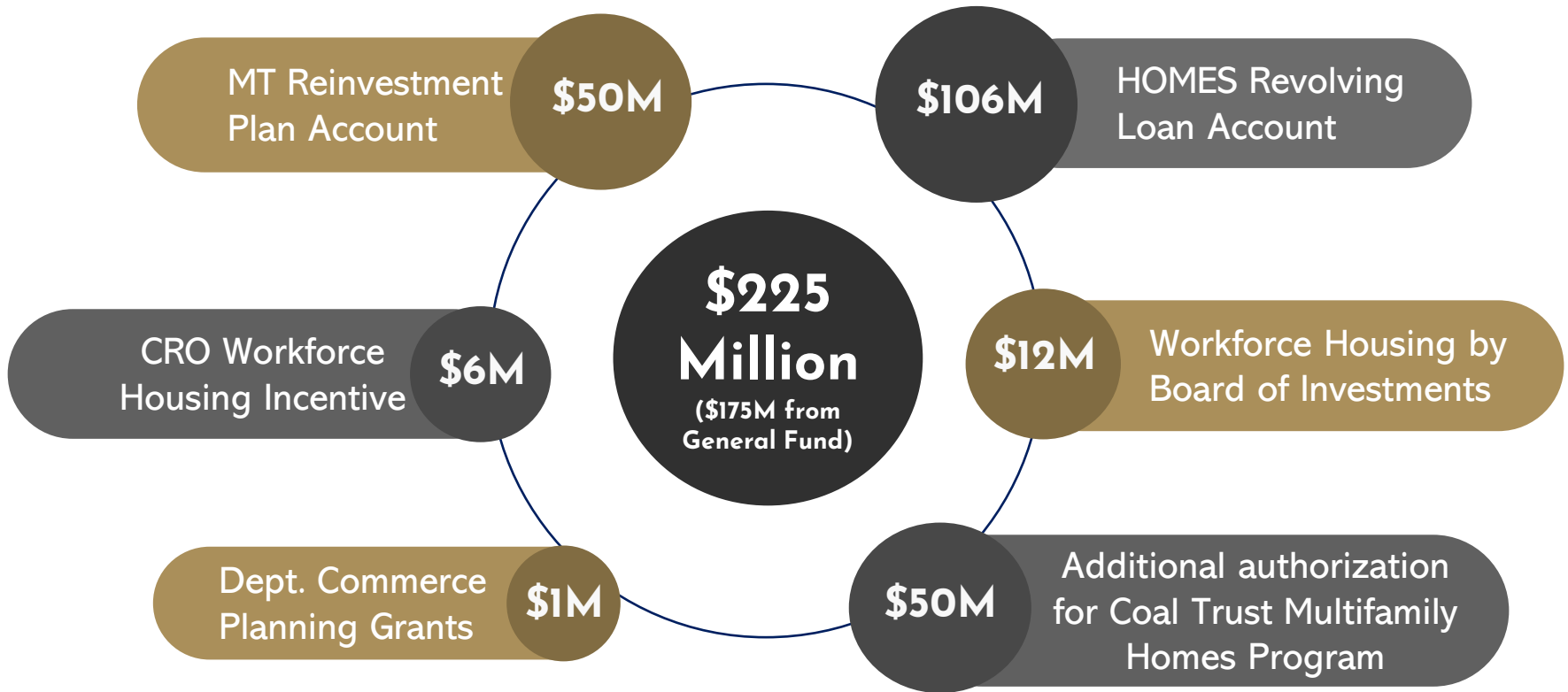


HB 819 Total Funding



Toni Henneman,
Research Analyst
November 2023

Governor's Office of Economic Development Responsibilities



\$50 Million

**MT Reinvestment Plan
Account**



\$6 Million

**CRO Workforce
Housing Incentive**

Purpose: fund affordable, attainable workforce housing infrastructure

Method: GOED distributes funds to community reinvestment organizations (CRO) based on the percentage of the combined county gross domestic product within the boundaries of the CRO to that of the state gross domestic product

Community Reinvestment Organization: a regional entity or a certified regional development corporation, community housing development organization, economic development association, or community development financial institution

CROs must:

- be established as a 501(c)(3), (c)(4), or (c)(6) organization;
- match funds from MT Reinvestment Plan Account;
- use 95% of funds to assist eligible households in purchasing attainable housing (5% for admin) – not to exceed 30% of purchase price;
- place a deed restriction on the home but aid owners in buying out deed restriction to allow the CRO to purchase additional homes

Purpose: provide additional funding for workforce housing in locations with state-owned facilities

Method: CROs with qualifying communities receive funds proportionally to the average number of state inmates or behavioral health patients in the state-owned facility and the number of employees in the county that work in the state-owned facility

Qualifying community: have a population of 15,000 or less, located within a 30-mile radius of a state-owned facility that houses at least 100 state inmates or behavioral health patients

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Board of Investment Responsibilities

Purpose: provide loans and bonds to increase housing supply, home ownership, and long-term rental opportunities through partnerships with state & local governments and the private sector

Method: projects providing for residential development with a **density of at least 10 units per acre may be financed by loan/bond for \$1 million or 50% of the total cost over a 20-year term**

- Loans and/or bonds may be used for the demolition, expansion, or extension of infrastructure that services new or existing residential development (water, wastewater, storm water, street, road, curb, gutter, and sidewalks)
- BOI policy must include provisions to preserve long-term affordability

Impact fees:

- governmental units applying for a loan must waive impact fees related to project up to the loan amount;
- developers applying for a loan must pay all impact fees up to the loan amount

Workforce Housing: **\$7 million** of the available funds must be prioritized to counties with state owned-facilities (*same requirements as workforce housing below*)

Purpose: advance the construction or purchase of workforce housing for **employees who work at state-owned facilities that house state inmates or behavioral health patients**

Method: funds distributed in counties with a population of less than 15,000 and are located within a 30-mile radius of a state-owned facility that houses at least 100 state inmates or behavioral health patients. **Distribution is pro rata based on annual average of state-owned population and number of workers in each county**

Eligible uses: buy down construction costs, provide matching funds for CRO revolving loans, provide up to 50% of a HOMES loan, provide funds to reduce housing costs, & acquire housing



\$106 Million

**HOMES Revolving
Loan Account**



\$12 Million

Workforce Housing

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November 2023



\$50 Million

Additional Coal Trust Multifamily Homes Program Funds

Purpose: provide **additional funds from the coal trust fund** for existing program providing low interest loans for multifamily home projects ([90-6-137, MCA](#))

Method: increase total amount authorized from the coal trust fund and administered by the **Board of Housing from \$15M to \$65M.**

Other Changes:

- minimum interest rate may be no less than 0.5% below the current coal trust fund performance;
- Eligible projects include the development or preservation of mobile home parks

\$1 Million

Community Planning Grants

Purpose: provide planning grants to local government and tribal governments for **planning and zoning reforms** to increase housing supply

Method: Funds appropriated to the **Department of Commerce** and administered by the **Community MT Division**

Important Dates

June 14, 2023

House Bill 819 Effective
\$50 million authorized for use from coal trust fund to Coal Trust Multifamily Homes Program

July 1 - Aug 15, 2023

Funds Appropriated and Transferred from General Fund for 2025 Biennium
(\$175 million)

December 31, 2024

Community Reinvestment Organizations must be established

January 15, 2025

Community Reinvestment Organizations must submit all required information to receive funds

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November 2023