

## 1 SENATE BILL NO. 243

2 INTRODUCED BY WHEAT, TESTER

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE NAME OF THE AFFORDABLE HOUSING  
 5 REVOLVING LOAN FUND AND MOVING IT FROM THE STATE SPECIAL REVENUE FUND TO THE  
 6 HOUSING AUTHORITY ENTERPRISE FUND; AMENDING SECTIONS 90-6-131, 90-6-133, AND 90-6-134,  
 7 MCA; AND PROVIDING AN EFFECTIVE DATE."

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 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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 11 **Section 1.** Section 90-6-131, MCA, is amended to read:  
 12 **"90-6-131. Legislative declaration.** (1) The legislature finds that current economic conditions, federal  
 13 housing policies, and declining resources at the federal, state, and local levels adversely affect the ability of  
 14 low-income and moderate-income persons to obtain safe, decent, and affordable housing.  
 15 (2) The legislature further finds that the state will lose substantial sums allocated to it by the federal  
 16 government for affordable housing for low-income and moderate-income households unless matching funds are  
 17 provided.  
 18 (3) The legislature declares that it is in the public interest to establish a continuously renewable financial  
 19 resource known as an affordable housing revolving loan ~~fund~~ account to assist low- and moderate-income  
 20 citizens in meeting their basic housing needs."

21  
 22 **Section 2.** Section 90-6-133, MCA, is amended to read:  
 23 **"90-6-133. Revolving loan account -- administration.** (1) There is an affordable housing revolving  
 24 loan account in the ~~state special revenue fund in the state treasury~~ housing authority enterprise fund provided  
 25 for in 90-6-107. The money in the loan account is allocated to the board for the purpose of providing loans to  
 26 eligible applicants.  
 27 (2) (a) Except as provided in subsection (2)(b), funds deposited in the loan account must be used for  
 28 the program authorized in 90-6-134 and may not be used to pay the expenses of any other program or service  
 29 administered by the board.  
 30 (b) Money transferred to the account pursuant to section 2, Chapter 502, Laws of 2001, may be used

1 only for the purposes authorized by the temporary assistance for needy families block grant pursuant to Title IV  
2 of the Social Security Act, 42 U.S.C. 601, et seq.

3 (3) The board may determine the rate of interest to be charged for any loan made under the provisions  
4 of 90-6-131 through 90-6-136.

5 (4) The board may accept contributions, gifts, and grants for deposit into the loan account. The money  
6 must be used in accordance with the provisions of 90-6-134.

7 (5) The costs incurred by the board in administering the loan ~~fund~~ account must be paid from the loan  
8 account.

9 (6) Interest and principal on loans from the ~~fund~~ loan account must be repaid to the loan ~~fund~~ account.

10 (7) Interest income generated by investment of the principal of the loan ~~fund~~ account is retained in the  
11 loan ~~fund~~ account."

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13 **Section 3.** Section 90-6-134, MCA, is amended to read:

14 **"90-6-134. Housing loan program -- loan capital restricted to interest on principal -- eligible**  
15 **applicants.** (1) The money in the loan ~~fund~~ account must be used to provide financial assistance in the form of  
16 direct loans by the board to eligible applicants.

17 (2) After the initial principal is loaned to eligible applicants, the amount of loans made in a fiscal year  
18 is contingent on the repayment of loan principal and on the amount of interest income generated by the principal  
19 of the loan ~~fund~~ account.

20 (3) Money from the loan ~~fund~~ account must be used to provide:

21 (a) matching funds for public or private money available from other sources for the development of  
22 low-income and moderate-income housing;

23 (b) bridge financing necessary to make a low-income housing development or a moderate-income  
24 housing development financially feasible;

25 (c) acquisition of existing housing for the purpose of preservation of or conversion to low-income or  
26 moderate-income housing; or

27 (d) preconstruction technical assistance to eligible recipients in rural areas and small cities and towns.

28 (4) (a) Technical assistance under subsection (3)(d) may include but is not limited to:

29 (i) financial planning and packaging for housing developments and projects;

30 (ii) project design, architectural planning, and siting;

- 1 (iii) compliance with planning and permitting requirements; or  
2 (iv) maximizing local government contributions to project development in the form of land donations,  
3 infrastructure improvements, zoning variances, or creative local planning.
- 4 (b) The board may contract with a nonprofit organization to provide this technical assistance.
- 5 (5) Money from the loan ~~fund~~ account may not be used to replace existing or available sources of  
6 funding for eligible activities.
- 7 (6) Organizations eligible for loans from the loan ~~fund~~ account are local governments, tribal  
8 governments, local housing authorities, nonprofit community- or neighborhood-based organizations, regional  
9 or statewide nonprofit housing assistance organizations, or for-profit housing developers."

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11 NEW SECTION. Section 4. Effective date. [This act] is effective July 1, 2003.

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