

HOUSING MONTANA FUND

OVERVIEW

The Legislature created the Housing Montana Fund during the 1999 session to help provide affordable housing for citizens and to also take full advantage of available federal funds. The Housing Fund was intended to provide financial assistance to low- and moderate-income citizens, as the following statute illustrates:

90-6-131. Legislative declaration.

(1) The legislature finds that escalating land costs, current economic conditions, federal housing policies, and declining resources at the federal, state, and local levels adversely affect the ability of low-income and moderate-income persons to obtain safe, decent, accessible, and affordable housing.

(2) The legislature further finds that the state will lose substantial sums allocated to it by the federal government for affordable housing for low-income and moderate-income households unless matching funds are provided.

(3) The legislature declares that it is in the public interest to establish a continuously renewable financial resource known as the housing Montana fund to assist low- and moderate-income citizens in meeting their basic housing needs. Long-term affordability is the goal.

The fund established a resource to provide assistance while also allowing the state to capitalize on matching federal funds.

BASIC STRUCTURE AND FUNCTION

ADMINISTRATION

As provided in [90-6-133, MCA](#), the Housing Montana Fund is included in the housing authority enterprise fund provided for in [90-6-107, MCA](#), and the Board of Housing is responsible for the administration of the fund.

In its role as administrator, the Board of Housing may determine the interest rates of loans dispersed from the fund and may also accept contributions, gifts, and grants to the fund. All costs the board incurs while administering the loans plus the interest and principal on loans from the fund must be repaid to the fund, essentially creating a revolving, stable funding source.

DISPERSAL OF FUNDS

The Housing Montana Fund may be dispersed as loans using the following parameters:

- 20% of the fund must be disbursed to rural areas based on population; and
- 50% must be disbursed to assist people living on incomes of not more than 50% of the local median family income.¹

Money from the fund must be used to provide:

- matching funds for public or private money available from other sources for the development of low-income and moderate-income housing;
- bridge financing necessary to make a low-income housing development or a moderate-income housing development financially feasible;
- acquisition of existing housing for the purpose of preservation of or conversion to low-income or moderate-income housing;
- preconstruction technical assistance to eligible recipients in rural areas and small cities and towns; or
- acquisition of land for housing developments, land banking and land trusts, and short-term site-based housing vouchers for needy individuals.²

According to definitions provided in [90-6-132, MCA](#):

"Low-income" means households whose incomes do not exceed 80% of the median income in the area, as determined by the United States department of housing and urban development, with adjustments for smaller or larger families; and

"Moderate-income" means households whose incomes are between 81% and 95% of the median income for the area, as determined by the United States department of housing and urban development, with adjustments for smaller and larger families.

ELIGIBLE APPLICANTS

The state government, state agencies or programs, local governments, tribal governments, local housing authorities, nonprofit community- or neighborhood-based organizations, regional or statewide nonprofit housing assistance organizations, or for-profit housing developers may apply for loans through the Housing Montana Fund.³

¹ [90-6-133](#) (1)(b), MCA

² [90-6-134](#) (3), MCA

³ [90-6-134](#) (6), MCA