

August 27, 2020

Dear Local Government Interim Committee members,

Montana Housing was asked to provide a fiscal history of the Housing Montana Fund, specifically the Affordable Housing Revolving Loan Fund (AHRLF) under 90-6-134, MCA, including amounts invested and loaned to recipients over the last 10 years. Under the 90-1-134 MCA, money from the fund must be used to provide:

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

Over the last 10 years, Montana Housing has issued two new loans as gap financing to two multifamily housing properties, Buffalo Grass Apartments and North Star Apartments. The cash balance available at FYE 2020 was 262,782.

Revolving Loan Fund Fiscal Summary 7/2010 – 6/2020

Cash 2010	246,097.09	
Principal repayments	389,746.08	
Interest	230,941.07	
State Investment Fund STIP	8,609.72	Short Term Investment Pool
New loans	(620,000.00)	Buffalo Grass Apartments 327,660 North Star Apartments 292,340
Cash FTE 2020	262,782.02	Approximate 7,500 difference is immaterial and relates to correction in entries and accruals

The Housing Montana Fund also includes the TANF Housing Assistance Funds authorized by 90-6-133(2)(b), MCA.

Administrative Rules of Montana (ARM) 8.111.501 includes rules enacted by the Board of Housing to provide explanation and guidance for both the Affordable Housing Revolving Loan Fund (AHRLF) and TANF Housing Assistance Funds as follows:

- a) loans from the housing Montana fund loan account authorized by [90-6-133\(2\)\(a\)](#) and [90-6-134](#), MCA, pursuant to the criteria and procedures described in ARM [8.111.503](#) through [8.111.507](#); and
- b) loans from the TANF program of the affordable housing revolving loan account authorized by [90-6-133\(2\)\(b\)](#), MCA, pursuant to the criteria and procedures described in ARM [8.111.508](#) through [8.111.515](#).

Under the 90-6-133(2)(b) MCA, “money transferred to the account pursuant to section 2, Chapter 502, Laws of 2001, may be used only for the purposes authorized by the temporary assistance for needy families block grant pursuant to Title IV of the Social Security Act, 42 U.S.C. 601, et seq.”

Over the last 10 years, Montana Housing has issued 20,000 in new loans to eligible families for single family homeownership down payment assistance.

An April 13, 2020 Directive implementing Executive Orders 2-2020 and 3-2020 authorized Montana Housing to utilize these TANF funds for emergency housing assistance, including rent and security deposit assistance to support TANF eligible households to stay in their homes or obtain housing. The Directive allowed the expenditure of available TANF funds as grant payments. At close of FYE 2020, Montana Housing had granted 230,000 to eligible families under the Emergency Housing Assistance Program (EHAP). To date, approximately 100 families have been assisted and we are providing continued assistance payments to these households with the remaining 84,155 fund balance.

TANF Program Fiscal Summary 7/2010 – 6/2020

Cash 2010	45,058.30	
Principal received	383,953.73	
Interest received	77,486.00	
Fees	(15,741.00)	
New loans	(20,000.00)	
	470,757.03	
EHAP up to FYE 2020	(230,000.00)	Emergency Housing Assistance Authorized
	240,757.03	
Cash FYE 2020	240,729.29	

Sincerely,



CHERYL COHEN
Administrator, Montana Housing