

Housing Division:

The Department of Commerce Housing Division, conducting business and known in the community as Montana Housing (MH), strengthens our vibrant communities by supporting access to safe, affordable and sustainable homes for Montanans whose housing needs are not met by the market.

Website: <http://housing.mt.gov/>

Vision:

Where all Montanans can afford a safe home.

Mission:

Montana Housing works with community partners across the state and together we ensure Montana families have access to safe and affordable homes.

Background:

Montana Housing – in collaboration with community, local and tribal government partners - offers financial and technical resources to facilitate new construction, acquisition and rehabilitation of affordable single and multifamily homes, and supports opportunities for first-time homebuyers including homeownership counseling, down payment assistance and affordable 30-year fixed rate mortgages to qualified Montanans who are ready to purchase a home. MH also administers rental assistance to low-income Montanans, including working families, seniors and persons with disabilities.

Montana Housing primarily administers federal programs with long-term income and rent or purchase price restrictions generally serving households at or below 80% of Area Median Income (AMI). Many of these programs have deeper income restrictions at 30% to 60% of AMI. MH programs help meet critical needs of lower income Montanans, but are not designed to support broader missing middle- or moderate-income workforce housing needs.

Montana Housing is composed of three component units:

❖ **Board of Housing**, Montana's statewide Housing Finance Agency (HFA) created under the Montana [Housing Act of 1975](#), is [administratively attached](#) to the Department of Commerce. The Board is comprised of seven members appointed by the Governor and confirmed by the state Senate. The Board of Housing is funded by enterprise funds with revenues derived from an administrative charge applied to projects and mortgages financed; the Board does not receive any general fund and is completely self-supporting. The Board provides policy direction for the following programs:

- *Low-Income Housing Tax Credits (LIHTC)* [Governor EO 2-87](#) | [90-6-109, MCA](#) | [8.111.601 to 8.111.603, ARM](#)
- *Private Activity Bonds (PAB)* [17-5-13, MCA](#) | [90-6-125, MCA](#)
- *Coal Trust Multifamily Homes program (CTMH)** [90-6-137, MCA](#) | [8.111.801 to 8.111.807, ARM](#)
- *Housing Montana Fund (HMF)* [90-6-133, MCA](#) | [90-6-134, MCA](#) | [8.111.501 to 8.111.515, ARM](#)
- *Homeownership Loan & Mortgage Servicing programs* [32-9-101 to 32-9-172, MCA](#) | [90-6-108, MCA](#) | [90-6-125, MCA](#) | [8.111.301 to 8.111.307, ARM](#)

*CTMH and VHLP funding is provided from the Montana Coal Tax Trust Fund. See HB16 (\$15M) passed in 2019 legislative session for CTMH, and SB326 (\$15M) passed in the 2011 session for VHLP. Subsequent bills in 2013, 2015 and 2019 collectively added \$35M for a total of \$50M allocated for the VHLP.

- *Montana Veterans' Home Loan program (VHLP)** [90-6-601 to 90-6-605, MCA](#) | [8.111.701 - 8.111.707, ARM](#)
- *Mortgage Credit Certificate program (MCC)*
- *Reverse Annuity Mortgage program (RAM)* [90-6-501 to 90-6-507, MCA](#) | [8.111.401 to 8.111.409, ARM](#)

❖ **Rental Assistance Bureau**, Montana's statewide Public Housing Authority (PHA), is charged with the administration of the following federally funded U.S. Department of Housing and Urban Development (HUD) programs in accordance with Governor Executive Order 28-81. All Rental Assistance Bureau programs are funded by enterprise funds with revenues derived under HUD administrative fees and performance based contracts:

- *Housing Choice Vouchers (HCV)* also known as Section 8 Vouchers
 - *Veteran Affairs Supportive Housing (HUD-VASH)*
 - *Mainstream Vouchers*
 - *Emergency Housing Vouchers (EHV)*
- *Project-Based Section 8 Contract Administration (PBS8)*
- *Moderate Rehabilitation Contract Administration (Mod Rehab)*
- *Section 811 Project Rental Assistance (PRA)*

❖ **Community Housing** administers HUD Community Planning and Development (CPD) programs for the production and preservation of affordable homes. These programs provide grant funds to communities and non-profits to rehabilitate single- and multifamily homes, finance new construction and rehabilitation of single- and multifamily homes and provide down payment assistance and closing assistance to eligible homebuyers. Community Housing administers federal funds and state special revenue account programs appropriated via HB 2.

- *Community Development Block Grant program (CDBG)* [90-1-103, MCA](#) | [8.94.37, ARM](#)
- *HOME Investment Partnerships program (HOME)* [90-6-106, MCA](#)
- *Housing Trust Fund program (HTF)* [90-6-106, MCA](#)

Summary of Federal Authorities:

- Low-Income Housing Tax Credits pursuant to 26 U.S. Code 42
- Mortgage Revenue Bonds pursuant to 26 U.S. Code 103A, 143 and 146
- Mortgage Credit Certificates established under Deficit Reduction Act of 1984 and Tax Reform Act of 1986
- Rental Assistance Bureau and Community Housing programs under purview of the U.S. Department of Housing and Urban Development (HUD):
 - Housing and Economic Recovery Act of 2008
 - Consolidated Appropriations Act of 2008
 - Cranston-Gonzalez National Affordable Housing Act, as amended
 - Housing and Community Development Act of 1974, as amended
 - United States Housing Act of 1937, as amended
 - 24 CFR Part 5, 91, 93, 245, 570, 792, 813, 882, 887, 891, 982 and 984

Goals and Objectives:

Goal #1: Maximize supply of new and rehabilitated affordable rental homes through efficient use of federal and state resources

- Objectives:
 - Deploy new Multifamily Loan Program using currently available Bond Indenture and Project-Based Section 8 Reserves
 - Factor the leveraged ratio of other resources in competitive grant and application review and ranking processes
 - Incentivize financing methods to increase the efficiency of the Housing Credit program, such as twinned 4% / 9% project designs
- Metrics:
 - Number of units awarded 4% and 9% Housing Credits
 - Number of CDBG, HOME and HTF assisted units and total project units
 - Leverage ratio of other sources in CDBG, Housing Credit, HOME and HTF investments

Goal #2: Provide increased opportunities for low- and moderate-income Montanans to obtain and retain affordable homeownership

- Objectives:
 - Collaborate with financial partners and advisors to maximize bond proceeds and lock-in competitive interest rates for first-time homebuyer programs
 - Assess options under federal regulations to increase IRS and HOME purchase price limits
 - Pursue conventional financing opportunities in partnership with participating lenders
- Metrics:
 - Number of total home primary and secondary loans funded
 - Percent of homebuyers utilizing down payment assistance
 - Number of communities participating in CDBG housing stabilization program
 - Average servicing cost per loan

Goal #3: Maximize use of federal rental assistance programs to serve extremely low- and very low-income Montanans

- Objectives:
 - Increase training and coordination with field agency partners
 - Pursue maximum flexibility for HUD Fair Market Rents / Voucher Payment Standards within parameters of federal regulations
 - Release Request for Proposals (RFP) for project-basing Housing Choice Vouchers and other to-be-identified RFPs for improved service delivery for HCV participants and landlords
 - Expand rental assistance special programs as federal opportunities arise, in partnership with the Department of Public Health and Human Services, MT Continuum of Care and other partners
- Metrics:
 - Number of open and leased Housing Choice Vouchers
 - Deploy baseline and on-going surveys to Housing Choice Voucher participants and landlords
 - Utilization and growth of special program vouchers