



HB 546 - Reauthorize Coal Trust Multifamily Homes Loan Program

Our communities are stronger when everyone can afford a safe, healthy home. But as Montana's population continues to grow, the expansion of new homes fails to keep pace. Throughout rural and urban Montana, the shortage of homes Montanans can afford negatively impacts our quality of life and economy. This shortfall of existing resources leaves multigenerational, hard-working Montana families in a bind. We cannot stand to lose any of Montana's existing affordable housing stock to the conventional market. This loan program is useful to preserve and rehabilitate existing multifamily and senior properties, particularly those funded with the Rural Development program.

To help address the shortage of affordable homes, in 2019, the Legislature passed House Bill 16, which created the Coal Trust Multifamily Homes Program. The Coal Trust Multifamily Homes Program utilizes \$15 million of Coal Trust funds to be invested in loans for projects that develop or preserve multifamily rental homes within Montana.

Program Highlights:

- \$15 million in loans, NOT grants, for multifamily rental housing
- All loans are paid directly back to the Coal Trust
- Loans earn a comparable rate of return as other trust investments
- Coal trust in first position on the loans
- Strict oversight and income qualifications
- All properties pay taxes

Keeping a Good Thing Going

HB 546 builds on the success of the Legislature's 2019 legislation by reauthorizing the Coal Trust Multifamily Homes Program with an additional \$15 million. Reauthorization is needed, as there are no available funds to continue making loans. Repaid funds can be used to make new loans from the trust, but initial repayments are not large enough to make new loans.

Early Success of Multifamily Coal Trust Homes Program

"In early 2020, the Montana Board of Housing approved loans totaling \$14.5 million to finance 7 developments with 252 apartment homes."

Results:

- 252 affordable apartments developed or preserved
- **\$17.7 M** private investment
- 421 jobs
- **\$19 M** in wages

Bridge, B., Ph.D. (2020, December). Affordable Housing in Montana [PDF]. University of Montana: Bureau of Business and Economic Research.



The Economy Grows When the Workforce Can Afford Their Homes

The benefits of workforce housing development extend to the broader community:

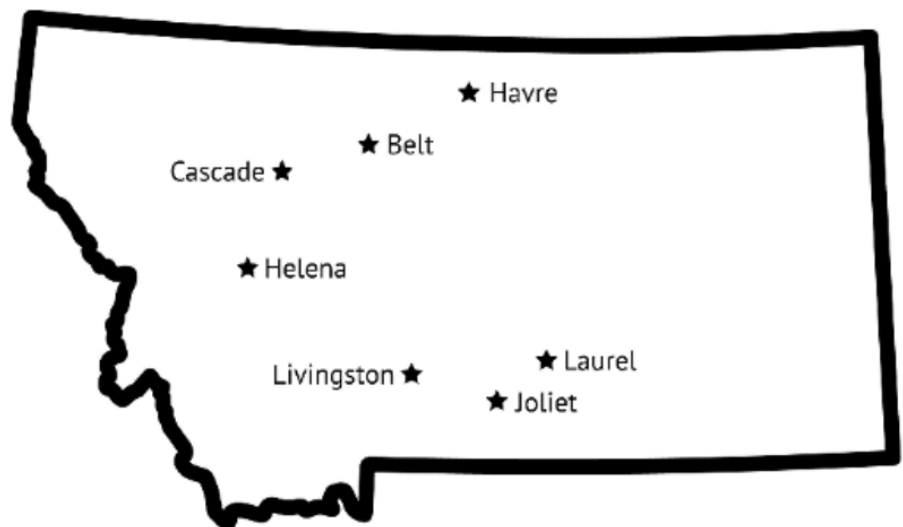
- The development of workforce housing supports existing jobs, creates immediate and long-term employment opportunities, and increases spending in local economies.
- Creating more workforce housing allows employers to attract and retain employees, growing their business and the regional economic competitiveness.
- Development and rehabilitation of affordable homes provide immediate fiscal benefits for state and local government, including building permit fees, impact fees, inspection fees, special assessments, and corporate and personal income taxes on those involved in the development.

The economic and social return benefits everyone when people can afford their homes. Increasing access to affordable housing is the most cost-effective strategy for reducing childhood poverty and increasing economic mobility. People living within their budget can afford other necessities, such as food, medicines, and childcare, which is critical for our most vulnerable populations, including seniors, low-income working families, and veterans. They can focus more on raising their families in stronger, prosperous communities. They can give back to their neighborhood by participating in civic and community organizations, thereby building healthier communities.

Projects Financed via HB16 (2019)

HB-546 provides financing that builds new and preserves existing homes Montanans can afford.

This financing is a win-win because it delivers a return to Montana's Coal Trust while also investing in critically needed homes that working families, veterans, and seniors can afford.



When we invest in homes people can afford, our community members will have healthier, more productive lives, which in turn strengthens our Montana communities.

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