_____________ BILL NO. _____________

INTRODUCED BY ____

A BILL FOR AN ACT ENTITLED: “AN ACT REVISING THE MONTANA COMMUNITY REINVESTMENT PLAN ACT; PROVIDING THAT COMMUNITY LAND TRUST HOUSING MAY BE CONSIDERED AS WORKFORCE HOUSING INVENTORY; REVISING THE ALLOWED RATE OF APPRECIATION ON DEED-RESTRICTED HOUSING; REVISING AND PROVIDING DEFINITIONS; AND AMENDING SECTIONS 90-6-143, 90-6-144, AND 90-6-147, MCA.”

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

Section 1. Section 90-6-143, MCA, is amended to read:

"**90-6-143. Definitions.** As used in 90-6-141 through 90-6-149, the following definitions apply:

(1) "Attainable workforce housing" means housing of a cost that an eligible household would spend no more than 30% of gross monthly income for a mortgage payment, property taxes, and insurance.

(2) "Community reinvestment organization" means the regional entity or entities established in 90-6-146 or a certified regional development corporation, a certified development corporation, a community housing development organization, an economic development association, or a community development financial institution.

(3) "Community reinvestment organization revolving account" or "CRO revolving account" means a restricted account established by each community reinvestment organization.

(4) "Eligible household" means a household earning between 60% and 140% of median household income for the county in which the person resides ~~or the state, whichever is less~~.

(5) "Montana community reinvestment plan account" means the account in the state special revenue fund and any subaccounts established pursuant to 90-6-145.

(6) "Program" means the Montana community reinvestment plan.

<u>(7) "Standard share" means the community reinvestment organization's share of appreciation that may not be greater than the share calculated by dividing the original community reinvestment organization</u>

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assistance amount by the original sales price."

Section 2. Section 90-6-144, MCA, is amended to read:

"**90-6-144. Montana community reinvestment plan.** There is a Montana community reinvestment plan that enables regional community reinvestment organizations to reduce the cost of housing to an affordable range for Montana's workforce. The program creates a deed-restricted housing inventory, including housing located within community land trusts, that becomes attainable workforce housing infrastructure for employers, employees, and entire communities by distributing money to community reinvestment organizations that invest the funds by buying down the costs of mortgages for eligible households."

Section 3. Section 90-6-147, MCA, is amended to read:

"**90-6-147. Community reinvestment organization requirements.** (1) A community reinvestment organization shall meet the requirements of this section.

(2) A community reinvestment organization must be established as a federally recognized charitable organization under 26 U.S.C. 501(c)(3), (c)(4), or (c)(6).

(3) (a) Each community reinvestment organization shall create a CRO revolving account for the deposit and distribution of funds to participating counties within the community reinvestment organization's region.

(b) Community reinvestment organizations shall deposit into the CRO revolving account an equal amount of funds as those deposited from the Montana community reinvestment plan account prior to any plan dollars being used to buy down attainable workforce housing. Community reinvestment organization matching fund options include but are not limited to the use of the employer pool, local government investments, and the utilization of volume cap bonds.

(4) (a) Money in a CRO revolving account must be used as follows:

(i) 95% or more must be distributed to participating counties to be used to assist eligible households in purchasing attainable workforce housing as provided in this section; and

(ii) 5% or less must be dedicated to startup and administrative costs of the community reinvestment organization and may be used to create a foreclosure mitigation set-aside fund.

(b) Money in a CRO revolving account may not be used for preconstruction, development, or construction-related purposes.

(c) If a county elects not to participate in the program under 90-6-141 through 90-6-149, the money allocated to that county must be distributed proportionally to the remaining counties participating in the program within the same region as the nonparticipating county.

(5) An incorporated city, consolidated city-county, or county may contribute funds to its regional CRO revolving account as an optional local government investment.

(6) Money used from the CRO revolving account to assist an eligible household may not exceed 30% of the total purchase price.

(7) Housing purchased using money from the CRO revolving account must have a deed limitation restricting the equitable value to the eligible household. The rate of appreciation on the deed-restricted home may not be greater than 1% a year or may not exceed the standard share or exceptions defined by the secondary market, whichever amount is greater.

(8) A community reinvestment organization ~~must~~ shall coordinate local employer participation in a statewide employer pool.

(9) A community reinvestment organization is encouraged to develop policies to support homeowners buying out the deed restriction so the revolving account can be utilized to buy down the cost of additional homes for other eligible households."

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