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LC 0321/01

INTRODUCED BY Verke To 230 A BILL FOR AN ACT ENTITLED: "AN ACT TO TRANSFER THE ADMINISTRATION OF THE BOARD OF HOUSING FROM THE DEPARTMENT OF COMMUNITY AFFAIRS TO THE DEPARTMENT OF ADMINISTRATION; AMENDING SECTION 35-503 AND RENUMBERING SECTION 82A-907. R.C.H. 1947.# BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: Section 1. Section 35-503, R.C.M. 1947, is amended to read as follows: "35-503. Definitions. As used in this act. unless the context requires otherwise: (1) "Board" means the board of housing created in section-824-907 824-224v-R#EvH#-1947. (2) "Bond" means any bonds, notes, debentures, interim certificates, or other evidences of financial indebtedness issued by the board pursuant to this act.

20 (3) "Capital reserve account" means the capital
21 reserve account provided for in section 35-523.

(4) "Department" means the department of community
 affairs administration provided for in Title B2A, chapter 9
 2y-RyEvMa-1947.

25 (5) "Federally insured mortgage" means a mortgage loan

INTRODUCED BILL

for land development or residential housing insured or
 guaranteed by the United States or a governmental agency or
 instrumentality thereof, or a commitment by the United
 States or a governmental agency or instrumentalities thereof
 to insure such a mortgage.

6) "Federally insured security" means an evidence of
7 indebtedness insured or guaranteed as to repayment of
8 principal and interest by the United States or an
9 instrumentality thereof.

10 (7) "Governmental agency" means any department, 11 division, public corporation, public agency, political 12 subdivision, or other public instrumentality of the state, 13 the federal government, any other state or public agency, or 14 any two or more thereof.

15 (8) "Housing development" means any work or 16 undertaking financed, in whole or in part, under this act 17 for the primary purpose of acquiring, constructing or rehabilitating dwelling accommodations for persons or 18 families of lower income in need of housing. An undertaking 19 20 may include any buildings, land, equipment, facilities, or 21 other real or personal properties which are necessary. 22 convenient, or desirable in connection therewith, including 23 but not limited to streets, sewers, utilities, parks, site 24 preparation, landscaping, and other nonhousing facilities as 25 the board determines to be necessary, convenient, or

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1 desirable.

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2 (9) "Housing development costs" means the sum total of 3 all costs incurred in a housing development approved by the 4 board as reasonable and necessary, including, but not 5 limited to:

(a) cost of land acquisition and any buildings 6 7 thereon, including payments for options, deposits, or 8 contracts to purchase properties on the proposed housing 9 development site or payments for the purchase of properties; 10 (b) cost of site preparation, demolition and clearing; (c) architectural, engineering, legal, accounting, 11 12 corporation, and other fees paid or payable in connection 13 with the planning, execution and financing of the housing development and the finding of an eligible mortgagee or .14 mortagees for the housing development; 15

16 (d) cost of necessary studies, surveys, plans, and 17 permits;

(e) insurance, interest, financing, tax and assessment
costs and other operating and carrying costs during
construction;

21 (f) cost of construction, rehabilitation,
22 reconstruction, fixtures, furnishings, equipment, machinery,
23 apparatus and similar facilities related to the real
24 property;

25 (g) cost of land improvements including landscaping

1 and offsite improvements, whether or not the costs have been

2 paid in cash or in a form other than cash;

3 (h) necessary expenses in connection with initial
4 occupancy of the housing development;

5 (i) a reasonable profit and risk fee in addition to 6 job overhead to the general contractor and if applicable, a 7 limited profit housing sponsor;

B (j) an allowance established by the board for working
 9 capital and contingency reserves, and reserves for any
 10 anticipated operating deficits during construction and
 11 initial occupancy;

12 (k) costs of other items, including tenant relocation, 13 as the board determines to be reasonable and necessary for 14 the housing development, less any and all net rents and 15 other net revenues received from the operation of the real 16 and personal property on the development site during the 17 construction.

(10) "Housing sponsor" means individuals, joint
ventures, partnerships, limited partnerships, trusts, firms,
associations, corporations, governmental agencies,
limited-profit housing sponsor, nonprofit corporation, or
other legal entities or any combination thereof, that are:

23 (a) approved by the board;

(b) qualified either to own, construct, acquire,
 rehabilitate, operate, manage, or maintain a housing

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1 development;

2 (c) subject to the rules of the board and other terms
3 and conditions set forth in this act.

4 (11) "Lending institution" means any public or private 5 entity or governmental agency, approved by the board, 6 maintaining an office in this state and authorized by law to 7 make or participate in making residential mortgages in the 8 state.

9 (12) "Limited-profit housing sponsor" means a 10 corporation, trust, partnership, association, other entity, 11 or an individual restricted as to distribution of income and 12 regulated as to rents, charges, rate of return, and methods 13 of operation as the board determines necessary to carry out 14 this act.

(13) "Mortgage" means a mortgage deed, deed of trust, 15 or other instrument which shall constitute a valid lien on 16 real property in fee simple or on a leasehold under a lease 17 having a remaining term at the time the mortgage is 18 acquired, which does not expire for at least that number of 19 years beyond the maturity date of the obligation secured by 20 the mortgage established by the board as necessary to 21 22 protect its interest as mortgagee.

23 (14) "Mortgage loan" means an interest bearing 24 obligation secured by a mortgage on land and improvements in 25 the state.

(15) "Nonprofit housing sponsor" means a housing 1 cooperative formed under Title 14, chapter 2x - -RxExMx - -1947. 2 or a nonprofit corporation formed under Title 15, chapter 3 4 23. Refrection of income and regulated as to rents, charges, rate of return and methods 5 of operation as the board determines necessary, and whose 6 7 articles of incorporation provide, in addition that: (a) the organization has been organized exclusively to 8 9 provide housing developments for persons and families of 10 lower income: (b) all the income and earnings of the organization 11 shall be used exclusively for housing development purposes 12 and no part of the net income or net earnings of the 13 14 organization shall inure to the benefit or profit of any private individual, firm, corporation, partnership, or 15 association; 16 17 (c) the organization is in no manner controlled or under the direction or acting in the substantial interest of 18 any private individual, firm, partnership, or association 19 20 seeking to derive profit or gain therefrom, or seeking to eliminate or minimize losses in any transactions therewith. 21

22 except that the limitations shall apply to members of a 23 cooperative only to the extent provided by rules of the 24 board;

25 (d) the operations of the organization may be

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supervised by the board and the organization will enter into agreements with the board to regulate planning, development, and management of any housing development undertaken by the organization and the disposition of the property or other

5 interests of the organization.

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6 {16} "Persons and families of lower income" means
7 persons and families, with insufficient personal or family
8 income who require assistance under this act, as determined
9 by the board, taking into consideration:

10 (a) the amount of the total personal and family income11 available for housing needs;

12 (b) the size of the family;

(c) the eligibility of persons and families under
 federal housing assistance of any type based on lower income
 or a functional or physical disability;

16 (d) the ability of persons and families to compete
17 successfully in the normal housing market and to pay the
18 amount at which private enterprise is providing decent,
19 safe, and sanitary housing;

20 (e) the availability and cost of housing in particular21 areas; and

22 (f) needs of particular persons or families due to age23 or physical handicaps.

24 (17) "Rehabilitation" means the repair, reconstruction,
25 or improvement of an existing structure to provide decent,

- 1 safe and sanitary housing or to conform housing with state
- 2 or local health, building, fire prevention, and safety codes
- 3 as determined by the board."
- 4 Section 2. Section 82A-907, R.C.M. 1947, is
- 5 renumbered 82A-224+

-End-

Approved by Committee on State AdminAstration

HOUSE BILL NO. 230 1 INTRODUCED BY GERKE, FABREGA 2 3 A BILL FOR AN ACT ENTITLED: "AN ACT TO TRANSFER THE 4 ADMINISTRATION OF THE BOARD OF HOUSING FROM THE DEPARTMENT 5 OF COMMUNITY AFFAIRS TO THE DEPARTMENT OF ADMINISTRATION; 5 AMENDING SECTIONS 35-503 AND 35-5261 AND RENUMBERING 7 REPEALING SECTION 82A-907, R.C.M. 1947." 8 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 10 Section 1. Section 35-503; R.C.M. 1947; is amended to 11 read as follows: 12 "35-503. Definitions. As used in this act. unless the 13 context requires otherwise: 14 (1) "Board" means the board of housing created in 15 section-824-907 824-224-RateHa-1947. 16 (2) "Bond" means any bonds, notes, debentures, interim 17 certificates_ or other evidences of financial indebtedness 18 issued by the board pursuant to this act. 19 (3) "Capital reserve account" means the capital 20 reserve account provided for in section 35-523. 21 (4) "Department" means the department of community 22 affairs administration provided for in Title 82A, chapter 9 23 2--RubuHa-1947. 24 (5) "Federally insured mortgage" means a mortgage loan 25

for land development or residential housing insured or guaranteed by the United States or a governmental agency or instrumentality thereof, or a commitment by the United States or a governmental agency or instrumentalities thereof to insure such a mortgage.

6) "Federally insured security" means an evidence of
7 indebtedness insured or guaranteed as to repayment of
8 principal and interest by the United States or an
9 instrumentality thereof.

(7) "Governmental agency" means any department,
division, public corporation, public agency, political
subdivision, or other public instrumentality of the state,
the federal government, any other state or public agency, or
any two or more thereof.

(8) "Housing development" means any work 15 QΓ undertaking financed, in whole or in part, under this act 16 17 for the primary purpose of acquiring, constructing or rehabilitating dwelling accommodations for persons or 13 families of lower income in need of housing. An undertaking 19 20 may include any buildings, land, equipment, facilities, or 21 other real or personal properties which are necessary, convenient, or desirable in connection therewith, including Z2 but not limited to streets, sewers, utilities, parks, site 23 24 preparation, landscaping, and other nonhousing facilities as the board determines to be necessary, convenient, or 25

SECOND READING

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1 desirable.

2 (9) "Housing development costs" means the sum total of
3 all costs incurred in a housing development approved by the
4 board as reasonable and necessary, including, but not
5 limited to:

(a) cost of land acquisition and any buildings 6 7 thereon, including payments for options, deposits, or 8 contracts to purchase properties on the proposed housing 9 development site or payments for the purchase of properties; 10 (b) cost of site preparation, demolition and clearing; 11 (c) architectural, engineering, legal, accounting, 12 corporation, and other fees paid or payable in connection 13 with the planning, execution and financing of the housing 14 development and the finding of an eligible mortgagee or 15 mortagees for the housing development;

16 (d) cost of necessary studies, surveys, plans, and17 permits;

18 (e) insurance, interest, financing, tax and assessment
19 costs and other operating and carrying costs during
20 construction;

(f) cost of construction, rehabilitation,
reconstruction, fixtures, furnishings, equipment, machinery,
apparatus and similar facilities related to the real
property;

25 (g) cost of land improvements including landscaping

and offsite improvements, whether or not the costs have been

2 paid in cash or in a form other than cash;

3 (h) necessary expenses in connection with initial

4 occupancy of the housing development;

5 (i) a reasonable profit and risk fee in addition to

6 job overhead to the general contractor and if applicable, a

7 limited profit housing sponsor;

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8 (j) an allowance established by the board for working 9 capital and contingency reserves, and reserves for any 10 anticipated operating deficits during construction and 11 initial occupancy;

12 (k) costs of other items, including tenant relocation, 13 as the board determines to be reasonable and necessary for 14 the housing development, less any and all net rents and 15 other net revenues received from the operation of the real 16 and personal property on the development site during the 17 construction.

18 (10) "Housing sponsor" means individuals, joint
19 ventures, partnerships, limited partnerships, trusts, firms,
20 associations, corporations, governmental agencies,
21 limited-profit housing sponsor, nonprofit corporation, or
22 other legal entities or any combination thereof, that are:

23 (a) approved by the board;

(b) qualified either to own, construct, acquire,
rehabilitate, operate, manage, or maintain a housing

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i development;

2 (c) subject to the rules of the board and other terms
3 and conditions set forth in this act.

4 (11) "Lending institution" means any public or private 5 entity or governmental agency, approved by the board, 6 maintaining an office in this state and authorized by law to 7 make or participate in making residential mortgages in the 3 state.

9 (12) "Limited-profit housing sponsor" means a 10 corporation, trust, partnership, association, other entity, 11 or an individual restricted as to distribution of income and 12 regulated as to rents, charges, rate of return, and methods 13 of operation as the board determines necessary to carry out 14 this act.

(13) "Mortgage" means a mortgage deed, deed of trust, 15 or other instrument which shall constitute a valid lien on 16 real property in fee simple or on a leasehold under a lease 17 having a remaining term at the time the mortgage is 18 acquired, which does not expire for at least that number of 19 years beyond the maturity date of the obligation secured by 20 the mortgage established by the board as necessary to 21 22 protect its interest as mortgagee.

(14) "Mortgage loan" means an interest bearing
 obligation secured by a mortgage on land and improvements in
 the state.

1 (15) "Nonprofit housing sponsor" means a housing 2 cooperative formed under Title 14, chapter 2y-RwGwHw--1947, 3 or a nonprofit corporation formed under Title 15, chapter 4 23, RwGwHw-1947y restricted as to distribution of income and 5 regulated as to rents, charges, rate of return and methods 6 of operation as the board determines necessary, and whose 7 articles of incorporation provide, in addition that: 8 (a) the organization has been organized exclusively to

8 (a) the organization has been organized exclusively to
9 provide housing developments for persons and families of
10 lower income;

(b) all the income and earnings of the organization shall be used exclusively for housing development purposes and no part of the net income or net earnings of the organization shall inure to the benefit or profit of any private individual, firm, corporation, partnership, or association;

17 (c) the organization is in no manner controlled or 18 under the direction or acting in the substantial interest of 19 any private individual, firm, partnership, or association seeking to derive profit or gain therefrom, or seeking to 20 21 eliminate or minimize losses in any transactions therewith. 22 except that the limitations shall apply to members of a 23 cooperative only to the extent provided by rules of the 24 board;

25 (d) the operations of the organization may be

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1 supervised by the board and the organization will enter into 2 agreements with the board to regulate planning, development, 3 and management of any housing development undertaken by the organization and the disposition of the property or other 4 5 interests of the organization. 6 (16) *Persons and families of lower income* means 7 persons and families, with insufficient personal or family 8 income who require assistance under this act, as determined 9 by the board, taking into consideration: 10 (a) the amount of the total personal and family income 11 available for housing needs; 12 (b) the size of the family:

13 (c) the eligibility of persons and families under federal housing assistance of any type based on lower income 14 15 or a functional or physical disability;

16 (d) the ability of persons and families to compete 17 successfully in the normal housing market and to pay the 18 amount at which private enterprise is providing decent, 19 safe, and sanitary housing;

20 (e) the availability and cost of housing in particular 21 areas; and

22 (f) needs of particular persons or families due to age 23 or physical handicaps.

24 (17) "Rehabilitation" means the repair, reconstruction, 25 or improvement of an existing structure to provide decent,

safe and sanitary housing or to conform housing with state
or local health, building, fire prevention, and safety codes
as determined by the board."
SECTION 2. THERE IS A NEW R.C.M. SECTION NUMBERED
SZA-224 THAT READS AS FOLLOWS:
82A-224. Board of housing. (1) There is a board of
housing.
(2) The board consists of seven members appointed by
the governor as provided in 82A-112. The members shall be
informed and experienced in housing, economics, or finance.
(3) The board shall elect a chairman and other
necessary officers.
(4) The board is designated a quasi-judicial board for
purposes of 82A-112.
(5) The board is allocated to the department of
administration for administrative purposes only as provided

17 in 82A-108.

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18 (6) The department shall provide all necessary staff and services to the board and shall assess the board for 19 20 reasonable costs.

21 SECTION 3. SECTION 35-526. R.C.N. 1947. IS AMENDED TO 22 READ AS EDLLOWS:

23 #35-526. Powers of the department of community

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24 affairs. The department may:

25 (1) survey and investigate housing needs throughout

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the state and publish the results, and make recommendations
 to the governor and the legislature as to legislation and
 other measures necessary, desirable, or advisable to
 alleviate housing problems;

5 (2) maintain and disseminate information on available governmental housing assistance programs, eligibility and 6 development requirements, and other similar information; and 7 8 (3) promote research and development in housing planning design, production, conservation, rehabilitation, 9 and other matters relating to, or affecting the provision of 10 11 decent, safe and sanitary housing in a suitable living 12 environment.*

 13
 Section 4. Section 82A-907, R.C.M. 1947, is

 14
 renumbered-82A-224 <u>REPEALED</u>.

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-End-

1 HOUSE BILL NO. 230 INTRODUCED BY GERKE, FABREGA 2 3 A BILL FOR AN ACT ENTITLED: MAN ACT TO TRANSFER THE 4 5 ADMINISTRATION OF THE BOARD OF HOUSING FROM THE DEPARTMENT OF COMMUNITY AFFAIRS TO THE DEPARTMENT OF ADMINISTRATION; 6 AMENDING SECTIONS 35-503 AND 35-526; AND RENUMBERING 7 8 REPEALING SECTION 82A-907, R.C.M. 1947." 9 10 SE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 11 Section 1. Section 35-503. R.C.M. 1947. is amended to 12 read as follows: "35-503. Definitions. As used in this act, unless the 13 context requires otherwise: 14 (1) "Board" means the board of housing created in 15 section-824-907 824-2247-Reference-1947. 16 17 (2) "Bond" means any bonds, notes, debentures, interim certificates, or other evidences of financial indebtedness 16 issued by the board pursuant to this act. 19 (3) "Capital reserve account" means the capital 20 reserve account provided for in section 35-523. 21 (4) "Department" means the department of community 22 affairs administration provided for in Title 82A, chapter 9 23 24 (5) "Federally insured mortgage" means a mortgage loan 25

THIRD READING

1 for land development or residential housing insured or 2 guaranteed by the United States or a governmental agency or 3 instrumentality thereof, or a commitment by the United 4 States or a governmental agency or instrumentalities thereof 5 to insure such a mortgage.

6 (6) "Federally insured security" means an evidence of 7 indebtedness insured or guaranteed as to repayment of 8 principal and interest by the United States or an 9 instrumentality thereof.

10 (7) "Governmental agency" means any department, 11 division, public corporation, public agency, political 12 subdivision, or other public instrumentality of the state, 13 the federal government, any other state or public agency, or 14 any two or more thereof.

15 (8) "Housing development" means anv work or 16 undertaking financed, in whole or in part, under this act 17 for the primary purpose of acquiring, constructing or 18 rehabilitating dwelling accommodations for persons or 19 families of lower income in need of housing. An undertaking 20 may include any buildings, land, equipment, facilities, or 21 other real or personal properties which are necessary, 22 convenient, or desirable in connection therewith, including but not limited to streets, sewers, utilities, parks, site 23 24 preparation, landscaping, and other nonhousing facilities as 25 the board determines to be necessary, convenient, or

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l desirable.

2 (9) "Housing development costs" means the sum total of
3 all costs incurred in a housing development approved by the
4 board as reasonable and necessary, including, but not
5 limited to:

6 (a) cost of land acquisition and any buildings 7 thereon, including payments for options, deposits, or contracts to purchase properties on the proposed housing 8 9 development site or payments for the purchase of properties; 10 (b) cost of site preparation, demolition and clearing; 11 (c) architectural, engineering, legal, accounting, 12 corporation, and other fees paid or payable in connection 13 with the planning, execution and financing of the housing 14 development and the finding of an eligible mortgagee or mortagees for the housing development: 15

16 (d) cost of necessary studies, surveys, plans, and 17 permits;

(e) insurance, interest, financing, tax and assessment
costs and other operating and carrying costs during
construction;

21 (f) cost of construction, rehabilitation,
22 reconstruction, fixtures, furnishings, equipment, machinery,
23 apparatus and similar facilities related to the real
24 property;

25 (g) cost of land improvements including landscaping

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1 and offsite improvements, whether or not the costs have been

2 paid in cash or in a form other than cash;

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3 (h) necessary expenses in connection with initial
4 occupancy of the housing development;

5 (i) a reasonable profit and risk fee in addition to
6 job overhead to the general contractor and if applicable, a
7 limited profit housing sponsor;

8 (j) an allowance established by the board for working 9 capital and contingency reserves, and reserves for any 10 anticipated operating deficits during construction and 11 initial occupancy;

12 (k) costs of other items, including tenant relocation. 13 as the board determines to be reasonable and necessary for 14 the housing development, less any and all net rents and 15 other net revenues received from the operation of the real 16 and personal property on the development site during the 17 construction.

18 (10) "Housing sponsor" means individuals, joint
19 ventures, partnerships, limited partnerships, trusts, firms,
20 associations, corporations, governmental agencies,
21 limited-profit housing sponsor, nonprofit corporation, or
22 other legal entities or any combination thereof, that are:

23 (a) approved by the board;

(b) qualified either to own, construct, acquire,
 rehabilitate, operate, manage, or maintain a housing

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l development;

2 (c) subject to the rules of the board and other terms
3 and conditions set forth in this act.

4 (11) "Lending institution" means any public or private 5 entity or governmental agency, approved by the board, 6 maintaining an office in this state and authorized by law to 7 make or participate in making residential mortgages in the 8 state.

9 (12) "Limited-profit housing sponsor" means a 10 corporation, trust, partnership, association, other entity, 11 or an individual restricted as to distribution of income and 12 regulated as to rents, charges, rate of return, and methods 13 of operation as the board determines necessary to carry out 14 this act.

(13) "Mortgage" means a mortgage deed, deed of trust, 15 or other instrument which shall constitute a valid lien on 16 real property in fee simple or on a leasehold under a lease 17 having a remaining term at the time the mortgage is 18 acquired, which does not expire for at least that number of 19 years beyond the maturity date of the obligation secured by 20 the mortgage established by the board as necessary to 21 protect its interest as mortgagee. 22

(14) "Mortgage loan" means an interest bearing
obligation secured by a mortgage on land and improvements in
the state.

(15) "Nonprofit housing sponsor" means a housing
cooperative formed under Title 14, chapter 2, -ReCeN=-1947,
or a nonprofit corporation formed under Title 15, chapter
23, ReCeN=-1947, restricted as to distribution of income and
regulated as to rents, charges, rate of return and methods
of operation as the board determines necessary, and whose
articles of incorporation provide, in addition that:

8 (a) the organization has been organized exclusively to
 9 provide housing developments for persons and families of
 10 lower income;

11 (b) all the income and earnings of the organization 12 shall be used exclusively for housing development purposes 13 and no part of the net income or net earnings of the 14 organization shall inure to the benefit or profit of any 15 private individual, firm, corporation, partnership, or 16 association;

17 (c) the organization is in no manner controlled or 18 under the direction or acting in the substantial interest of 19 any private individual, firm, partnership, or association 20 seeking to derive profit or gain therefrom, or seeking to 21 eliminate or minimize losses in any transactions therewith. 22 except that the limitations shall apply to members of a 23 cooperative only to the extent provided by rules of the Z4 board:

25 (d) the operations of the organization may be

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supervised by the board and the organization will enter into
 agreements with the board to regulate planning, development,
 and management of any housing development undertaken by the
 organization and the disposition of the property or other
 interests of the organization.

6 (16) "Persons and families of lower income" means
7 persons and families, with insufficient personal or family
8 income who require assistance under this act, as determined
9 by the board, taking into consideration:

10 (a) the amount of the total personal and family income 11 available for housing needs;

12 (b) the size of the family;

13 (c) the eligibility of persons and families under
14 federal housing assistance of any type based on lower income
15 or a functional or physical disability;

16 (d) the ability of persons and families to compete
17 successfully in the normal housing market and to pay the
18 amount at which private enterprise is providing decent,
19 safe, and sanitary housing:

20 (e) the availability and cost of housing in particular21 areas; and

22 (f) needs of particular persons or families due to age23 or physical handicaps.

24 (17) "Rehabilitation" means the repair, reconstruction,
25 or improvement of an existing structure to provide decent,

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safe and sanitary housing or to conform housing with state
 or local health, building, fire prevention, and safety codes
 as determined by the board."
 <u>SECTION 2. THERE IS A NEW ReCome SECTION NUMBERED</u>
 <u>B2A-224 THAT READS AS FOLLOWS:</u>
 82A-224. Board of housing. (1) There is a board of
 housing.

8 (2) The board consists of seven members appointed by
9 the governor as provided in 82A-112. The members shall be
10 informed and experienced in housing, economics, or finance.
11 (3) The board shall elect a chairman and other
12 necessary officers.

13 (4) The board is designated a quasi-judicial board for
 14 purposes of 82A-112.

15 (5) The board is allocated to the department of
administration for administrative purposes only as provided
in a2A-108.

18 (6) The department shall provide all necessary staff
19 and services to the board and shall assess the board for
20 reasonable costs.

 21
 (71) _A__MEMBER_OF_THE_BOARD_SHALL_NOT_BE_DEEMED_TO_HAVE

 22
 A_CONFLICT_OF_INTEREST_UNDER_THE_PROVISIONS_OF_59-501_MERELY

 23
 BECAUSE_THE_MEMBER_IS_A_STOCKHOLDER._OFFICER._OR_EMPLOYEE_OF

 24
 A_LENDING_INSTITUTION_WHO_MAY__PARTICIPATE_IN_THE_BOARD'S

 25
 PROGRAMS.

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1 SECTION 3. SECTION 35-526. R.C.M. 1947. IS AMENDED TO READ AS FOLLOWS: Z 3 "35-526. Powers of the department of community affairs. The department may: 4 (1) survey and investigate housing needs throughout 5 the state and publish the results, and make recommendations 6 7 to the governor and the legislature as to legislation and

other measures necessary, desirable, or advisable to

alleviate housing problems; 10 (2) maintain and disseminate information on available 11 governmental housing assistance programs, eligibility and 12 development requirements, and other similar information; and 13 (3) promote research and development in housing planning design, production, conservation, rehabilitation, 14 and other matters relating to, or affecting the provision of 15 decent, safe and sanitary housing in a suitable living 16 17 environment."

Section 4. Section 82A-907, R.C.M. 1947, is 18

renumbered-024-224 REPEALED. 19

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-End-

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HOUSE BILL NO. 230 1 1 for land development or residential housing insured or INTRODUCED BY GERKE, FABREGA 2 2 guaranteed by the United States or a governmental agency or 3 instrumentality thereof, or a commitment by the United 3 A BILL FOR AN ACT ENTITLED: "AN ACT TO TRANSFER THE States or a governmental agency or instrumentalities thereof 4 4 ADMINISTRATION OF THE BOARD OF HOUSING FROM THE DEPARTMENT 5 to insure such a mortgage. 5 (6) "Federally insured security" means an evidence of OF COMMUNITY AFFAIRS TO THE DEPARTMENT OF ADMINISTRATION; 6 6 AMENDING SECTIONS 35-503 AND 35-526; AND RENUMBERING 7 indebtedness insured or quaranteed as to repayment of 7 REPEALING SECTION 82A-907, R.C.M. 1947." я principal and interest by the United States or an 8 9 instrumentality thereof. 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 10 (7) "Governmental agency" means any department. 10 division, public corporation, public agency, political 11 Section 1. Section 35-503; R.C.H. 1947; is amended to 11 12 subdivision, or other public instrumentality of the state, read as follows: 12 #35-503. Definitions. As used in this act, unless the 13 the federal government, any other state or public agency, or 13 14 any two or more thereof. 14 context requires otherwise: (1) "Board" means the board of housing created in 15 (8) *Housing development" means any work or 15 undertaking financed, in whole or in part, under this act section-02A-907 82A-224y-R#E#Mw-1947. 16 16 17 (2) "Bond" means any bonds, notes, debentures, interim 17 for the primary purpose of acquiring, constructing or certificates, or other evidences of financial indebtedness rehabilitating dwelling accommodations for persons or 18 18 19 issued by the board pursuant to this act. families of lower income in need of housing. An undertaking 19 (3) "Capital reserve account" means the capital may include any buildings, land, equipment, facilities, or 20 20 reserve account provided for in section 35-523. 21 21 other real or personal properties which are necessary, (4) "Department" means the department of community 22 22 convenient, or desirable in connection therewith, including 23 affairs administration provided for in Title 82A, chapter 9 but not limited to streets, sewers, utilities, parks, site 23 24 24 preparation, landscaping, and other nonhousing facilities as (5) "Federally insured mortgage" means a mortgage loan 25 25 the board determines to be necessary, convenient, or

REFERENCE BILL

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1 desirable.

2 (9) "Housing development costs" means the sum total of
3 all costs incurred in a housing development approved by the
4 board as reasonable and necessary, including, but not
5 limited to:

(a) cost of land acquisition and any buildings 6 7 thereon, including payments for options, deposits, or 8 contracts to purchase properties on the proposed housing 9 development site or payments for the purchase of properties; 10 (b) - cost of site preparation, demolition and clearing; (c) architectural, engineering, legal, accounting, 11 12 corporation, and other fees paid or payable in connection with the planning, execution and financing of the housing 13 development and the finding of an eligible mortgagee or 14 15 mortagees for the housing development:

16 (d) cost of necessary studies, surveys, plans, and 17 permits;

18 (e) insurance, interest, financing, tax and assessment
19 costs and other operating and carrying costs during
20 construction;

21 (f) cost of construction, rehabilitation,
22 reconstruction, fixtures, furnishings, equipment, machinery,
23 apparatus and similar facilities related to the real
24 property;

25 (g) cost of land improvements including landscaping

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1 and offsite improvements, whether or not the costs have been

2 paid in cash or in a form other than cash;

3 (h) necessary expenses in connection with initial
4 occupancy of the housing development;

5 (i) a reasonable profit and risk fee in addition to
6 job overhead to the general contractor and if applicable, a
7 limited profit housing sponsor;

8 (j) an allowance established by the board for working 9 capital and contingency reserves, and reserves for any 10 anticipated operating deficits during construction and 11 initial occupancy;

12 (k) costs of other items, including tenant relocation, 13 as the board determines to be reasonable and necessary for 14 the housing development, less any and all net rents and 15 other net revenues received from the operation of the real 16 and personal property on the development site during the 17 construction.

(10) "Housing sponsor" means individuals, joint
ventures, partnerships, limited partnerships, trusts, firms,
associations, corporations, governmental agencies,
limited-profit housing sponsor, nonprofit corporation, or
other legal entities or any combination thereof, that are:

23 (a) approved by the board;

(b) qualified either to own, construct, acquire,
rehabilitate, operate, manage, or maintain a housing

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1 development;

2 (c) subject to the rules of the board and other terms
3 and conditions set forth in this act.

4 (11) "Lending institution" means any public or private 5 entity or governmental agency, approved by the board, 5 maintaining an office in this state and authorized by law to 7 make or participate in making residential mortgages in the 8 state.

(12) "Limited-profit housing sponsor" means a
corporation, trust, partnership, association, other entity,
or an individual restricted as to distribution of income and
regulated as to rents, charges, rate of return, and methods
of operation as the board determines necessary to carry out
this act.

(13) "Mortgage" means a mortgage deed, deed of trust, 15 or other instrument which shall constitute a valid lien on 15 17 real property in fee simple or on a leasehold under a lease having a remaining term at the time the mortgage is 18 acquired, which does not expire for at least that number of 19 years beyond the maturity date of the obligation secured by 20 21 the mortgage established by the board as necessary to 22 protect its interest as mortgagee.

(14) "Mortgage loan" means an interest bearing
obligation secured by a mortgage on land and improvements in
the state.

1 (15) "Nonprofit housing sponsor" means a housing 2 cooperative formed under Title 14, chapter 2y-RyCyM#-1947, 3 or a nonprofit corporation formed under Title 15, chapter 23, Rufume-1947, restricted as to distribution of income and 4 regulated as to rents, charges, rate of return and methods 5 of operation as the board determines necessary, and whose 6 articles of incorporation provide, in addition that: 7 8 (a) the organization has been organized exclusively to 9 provide housing developments for persons and families of 10 lower income: 11 (b) all the income and earnings of the organization 12 shall be used exclusively for housing development purposes 13 and no part of the net income or net earnings of the organization shall inure to the benefit or profit of any 14 15 private individual, firm, corporation, partnership, or association; 16 17 (c) the organization is in no manner controlled or under the direction or acting in the substantial interest of 18 any private individual, firm, partnership, or association 19

20 seeking to derive profit or gain therefrom, or seeking to 21 eliminate or minimize losses in any transactions therewith, 22 except that the limitations shall apply to members of a 23 cooperative only to the extent provided by rules of the 24 board; 25 (d) the operations of the organization may be

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supervised by the board and the organization will enter into agreements with the board to regulate planning, development, and management of any housing development undertaken by the organization and the disposition of the property or other interests of the organization.

6 (16) "Persons and families of lower income" means
7 persons and families, with insufficient personal or family
8 income who require assistance under this act, as determined
9 by the board, taking into consideration:

10 (a) the amount of the total personal and family income 11 available for housing needs;

12 (b) the size of the family;

(c) the eligibility of persons and families under
federal housing assistance of any type based on lower income
or a functional or physical disability;

16 (d) the ability of persons and families to compete
17 successfully in the normal housing market and to pay the
18 amount at which private enterprise is providing decent,
19 safe, and sanitary housing;

20 (e) the availability and cost of housing in particular21 areas; and

(f) needs of particular persons or families due to ageor physical handicaps.

24 (17) "Rehabilitation" means the repair, reconstruction;
25 or improvement of an existing structure to provide decent;

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1 safe and sanitary housing or to conform housing with state 2 or local health, building, fire prevention, and safety codes 3 as determined by the board." 4 SECTION 2. THERE IS A NEW R.C.M. SECTION NUMBERED 5 E2A-224 THAT READS AS FULLOWS: 82A-224. Board of housing. (1) There is a board of 6 7 housing. (2) The board consists of seven members appointed by 8 9 the governor as provided in 82A-112. The members shall be 10 informed and experienced in housing, economics, or finance. (3) The board shall elect a chairman and other 11 12 necessary officers. 13 (4) The board is designated a guasi-judicial board for 14 purposes of 82A-112. 15 (5) The board is allocated to the department of 16 administration for administrative purposes only as provided 17 in 824-108. 18 (6) The department shall provide all necessary staff 19 and services to the board and shall assess the board for 20 reasonable costs. 21 (7) A MEMBER OF THE BOARD SHALL NOT BE DEEMED TO HAVE 22 A CONFLICT OF INTEREST UNDER THE PROVISIONS OF 59-501 MERELY 23 BECAUSE THE NEMBER IS A STOCKHOLDER, OFFICER, OR EMPLOYEE OF 24 A LENDING INSTITUTION WHO MAY PARTICIPATE IN THE BOARD'S 25 PROGRAMS.

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1	SECTION 3. SECTION 35-526, R.C.N. 1947. IS AMENDED TO
2	READ AS FOLLOWS:
3	#35-526. Powers of the department <u>of community</u>
4	affairs. The department may:
5	(1) survey and investigate housing needs throughout
6	the state and publish the results, and make recommendations
7	to the governor and the legislature as to legislation and
8	other measures necessary, desirable, or advisable to
9	alleviate housing problems;
10	(2) maintain and disseminate information on available
11	governmental housing assistance programs, eligibility and
12	development requirements, and other similar information; and
13	(3) promote research and development in housing
14	planning design, production, conservation, rehabilitation,
15	and other matters relating to, or affecting the provision of
16	decent, safe and sanitary housing in a suitable living
17	environment."
18	Section 4. Section 82A-907, R.C.M. 1947, is
14	renumbered-02A-224 <u>REPEALED</u> .

-End-

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