PARK COUNTY
HOUSING COALITION

Introduction to

Housing Investment Funds

September 25, 2024

HRDC
BUILDING A BETTER COMMUNITY

Key Considerations

Total amount

Administration

Eligible uses

Revenue source/s

Definition

Housing Investment (or impact or trust) Funds

A flexible source of funding

created and administered at the local level

that can be used to support a variety of affordable housing activities.

Because they are created and administered at the local level, HIFs are not subject to the restrictions of federal subsidy programs and therefore can be tailored to address local priorities and needs.

MISSOULA AFFORDABLE HOUSING TRUST FUND

https://ci.missoula.mt.us/3068/Affordable-Housing-Trust-Fund

Purpose: The AHTF provides direct funding to developers, nonprofits, and organizations to develop projects that create and preserve housing that Missoulians can afford.

Administration: City of Missoula & Affordable Housing Resident Oversight Committee (10 regular and 2 alternate members)

Revenue Sources: City of Missoula General Fund, augmented by:

- Sale of City-owned land
- $1M annual commitment from Missoula Redevelopment Authority.

Fund Amount: Initial recommended annual contribution of $100K. Amount varies depending on annual budget process.

Eligible Projects:
Awards are guided by annual housing assessment report and annual allocation plan. Projects may include:

- Construction and rehab of homeowner housing at or below 120% AMI and rental housing at or below 80% AMI
- Community housing services programs (e.g. financial ed.)
- Land and property acquisition
- Accessory dwelling units

COMMUNITY SUPPORT FUND (AKA 1% FOR WHITEFISH)

https://explorewhitefish.com/csf

Purpose: Ths CSF is a voluntary program that supports various programs that balance economic vitality with community sustainability while maintaining the quality of life for local residents.

Administration: Explore Whitefish

Eligible Projects:

- Spending is at the discretion of Explore Whitefish Board of Directors
- Funding has been used to support grant writing by Housing Whitefish and the Housing Whitefish Rental Assistance Program

Fund Amount: Varies depending on spending at member businesses. Goal of contributing $150,000 annually to Housing Whitefish.

Revenue Sources:
A 1% fee is added to lodging, food, and transportation receipts for about 55 of Explore Whitefish's 145 members. Guests may ask to have the fee removed if they wish. Explore Whitefish will reimburse the guest for the charge if the fee can't be removed.

GALLATIN COMMUNITY HOUSING IMPACT FUND

https://www.nwmt.org/lending/gallatin-impact-fund/

Purpose: To provide stable, long-term investment returns to fund co-investments for housing solutions.

Administration: NeighborWorks Montana

Eligible Projects:

- Renters with incomes up to $70,000 per household
- Homeowners with incomes up to $150,000 per household.
- At least 60% of the fund dollars and projects funded will serve households making less than 80% of the area median income
- To date, all LIHTC projects

Fund Amount: $10M ($3M grant and deferred loan pool; $7M loan pool). Anticipated $8 of total development impact per $1 invested.

Revenue Sources:
Pooled investments from local financial institutions, businesses, and individuals.

- $50K minimum investment
- 5- to 15-year investment term
- Interest rate up to 2.00%
- Repayment: quarterly interest-only payments with principal due at maturity

PARK COUNTY COMMUNITY HOUSING INVESTMENT FUND

Purpose: To provide stable returns for long-term investments to fund housing solutions.

Administration: TBD. Potentially NeighborWorks Montana, Park Local Development Corporation, Park County Community Foundation, or other entities.

Fund Amount: $3M. Anticipated $4 of total development impact per $1 invested.

Revenue Sources:
TBD.

Eligible Projects:

- 30% community rentals (e.g., ADU loans, lease local grants)
- 30% community ownership (e.g., community land trust loans or grants, down payment assistance loans)
- 40% developer operations gaps/incentives (e.g., LIHTC development gaps, land banking, grants for emergency housing

Key Considerations

Total amount

Revenue source/s

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Eligible uses

Total Amount

What impact could $3M have?
Possible to create 464 homes and leverage $12 million in additional community investment; this could double the inventory of protected community housing in 5 years.

How much can be raised and sustained?

Revenue Source/s

Predictability, Transparency, Equity, and Alignment

Ideally, funding comes from or includes dedicated revenue sources established with the support and approval of key community members, allowing predictability in the amount of funds available annually.

Administration

Typically, funds are administered by existing entities whose activities and missions align with the fund's purpose:

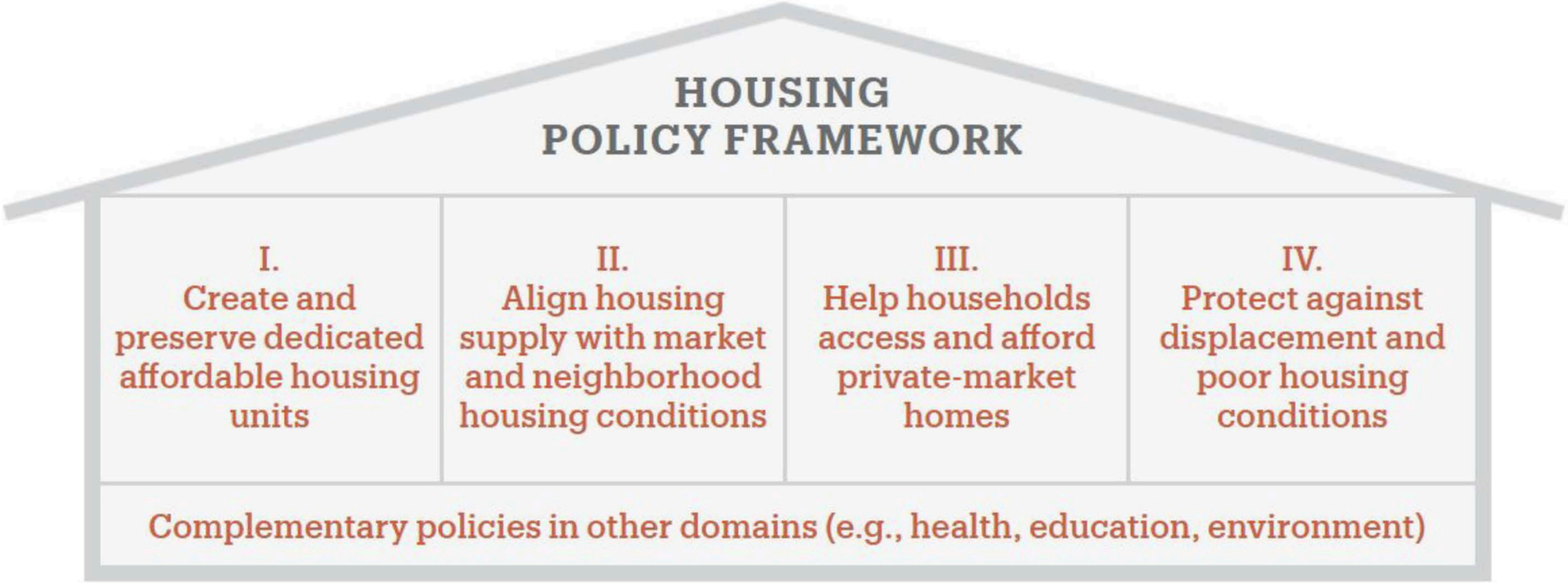
- Community Development Financial Institution (e.g., NeighborWorks Montana)
- Local government (e.g., City of Missoula Community Development Department)
- Local Convention & Visitors Bureau (e.g., Explore Whitefish)

Eligible Uses

Frequently guided by:

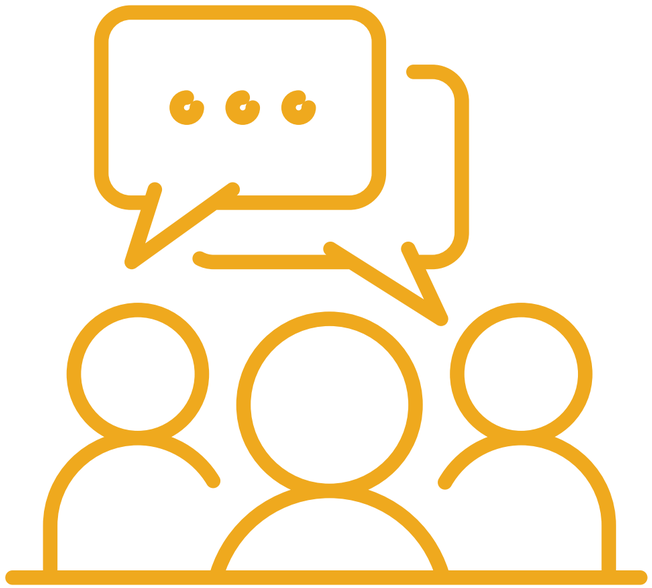
- community input
- local needs assessments
- plans
- the availability and types of complementary funding sources
- the priorities and requirements of the organization raising and/or administering the funds
- policy frameworks

Eligible Uses



Local Housing Solutions

To enhance local affordability. To foster inclusive communities.

https://www.localhousingsolutions.org/

Q & A and Discussion