



Montana

Low Income Housing Preservation in 2010

Low Income Housing Tax Credits (9% Tax Credits)

The 2011 QAP provides up to 2 points for properties that propose the preservation of existing federally assisted housing stock or increase the affordable housing stock through the use of the Rural Development 515 program, HOME program, the CDBG program or the FHLB Affordable Housing Program.

If an owner substantially rehabilitated a building (by incurring rehabilitation expenditures the greater of either \$10,000 hard costs per rental unit or an amount which is not less than 20% of the adjusted basis of the building during a 24-month or shorter period), the rehabilitation expenditure is treated as a separate new building for purposes of the tax credit.

The QAP also provides up to 4 points for the appropriateness of the property for the area's housing market (rehab. vs. new construction, or addressing vacant buildings). Comparisons will be made with the Market Study to determine how it addresses the considerations for rehabilitation or preservation of existing housing versus need for new construction. The QAP also provides 2 points for existing housing stock or properties applying for rehabilitation tax credits that have completed their initial 15-year compliance period. Projects are eligible for up to 10 points for committing to extend low-income use beyond 15 years depending on the length of the commitment.

Allocations (2003-2009)

Properties Preserved: 16

Apartments Preserved: 521

Private Activity Bonds with 4% Tax Credits

Allocations (2003-2009)

Properties Preserved: 5

Apartments Preserved: 354

Green Multifamily Preservation Initiatives

Green Incentives in State Tax Credit Allocation Plan

The 2011 QAP awards up to 10 project points for energy conservation and green building initiatives. Items are placed in two categories, energy efficiency and green building. Projects can earn points depending on the number of items they include. New construction and rehabilitation receive the same number of points for the energy efficiency threshold items but for energy efficiency discretionary items: new construction receives 1 point for 4 to 7 of 15 items and 2 points for 8 to 15 of 15 items while rehabilitation proposals received 1 point for 3 to 5 of 12 items and 2 points for 6 to 12 of 12 items. Green building are scored the same, regardless of whether they are new construction or preservation. Additionally, the QAP mentions five "Energy and Green Building initiatives and goals for Montana". They are: integrated design process and community connectivity; sustainable site, location and design; energy and water conservation; material and resource efficiency and healthy living environments (indoor environmental quality).

Up to 10 points are available for incorporate green building elements and energy conservation including, but not limited to, Energy Star building and appliance initiatives. Criteria for each application will be compared to other applications to determine the award amount.

Design features, product selection and renewable energy options should directly reduce the use of resources and result in cost savings.

Applications will be reviewed subjectively for a 30% basis boost. Among other considerations, buildings that may earn the boost are those demonstrating elements of energy or green building.

Other Green Incentives Relevant to Preservation

Incentives include income tax credits for renewable energy installations, a property tax exemption for renewable energy systems, and favorable loans for green construction/rehabilitation.

For additional information on green initiatives, visit www.aceee.org for more on policies related to energy efficiency or www.dsireusa.org for programs that may be available to developers to incentivize renewable energy or energy efficiency.

Sustainable Communities & Transit-Oriented Development Incentives

Montana awards 1 point for projects that are located within a Qualified Census Tract. Up to 2 points will be awarded to developments located in a community identified as distressed or a hard-to-develop area. One point is available to projects involving existing housing as part of a community revitalization plan.

The building(s) and project site, including the surrounding area, should provide opportunities for education, alternative transportation, services, and community facilities. This is evidenced by projects using existing infrastructure, reusing an existing building or existing housing, redeveloping a greyfield/brownfield, and developing in an existing neighborhood. Design elements should use the site's characteristics and reduce impact on the site, allowing for open space and other amenities including infill projects, rehabilitating existing buildings and housing, carpooling opportunities, using well water for landscaping, parking reductions, etc.

Transportation is a criterion under the location section and is worth up to 3 points