

SENATE BILL NO. 504

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A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A PERMANENT SUPPORTIVE HOUSING DEVELOPMENT GRANT PROGRAM; PROVIDING GRANTS TO FUND THE ACQUISITION, CONSTRUCTION, OR REHABILITATION OF PROJECTS THAT SUPPORT LONG-TERM LEASES AND SUPPORT SYSTEMS FOR PERSONS CURRENTLY HOMELESS OR AT RISK OF BECOMING HOMELESS; PROVIDING A DEFINITION; PROVIDING A FUND TRANSFER; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Definitions. For the purposes of [sections 1 through 5], the following definitions apply:

- (1) "Homeless" has the meaning provided in 24 CFR 578.3 as it read on January 31, 2025.
- (2) "Permanent supportive housing" means a multifamily housing complex that provides:
 - (a) long-term leasing and rental housing to persons earning 60% or less of the area median income and who are currently homeless or are at risk of becoming homeless; and
 - (b) onsite, voluntary support services to address the needs of persons experiencing chronic homelessness, which may include but are not limited to:
 - (i) behavioral and mental health therapy services;
 - (ii) addiction and recovery support services;
 - (iii) independent living support services;
 - (iv) services to aid in securing employment; and
 - (v) medical and dental services.

NEW SECTION. Section 2. Permanent supportive housing development account -- use. (1)

There is a permanent supportive housing account within the state special revenue fund provided for in 17-2-102

1 to provide grant funding to nonprofit corporations that intend to construct or rehabilitate a structure for use as
2 permanent supportive housing. The department of commerce shall administer the account.

3 (2) The department may use up to 3% of the funds allocated to the account for administrative
4 costs.

5
6 **NEW SECTION. Section 3. Permanent supportive housing development grants authorization.**

7 (1) The department of commerce is authorized to make up to \$75 million in grants to nonprofit corporations for
8 property acquisition, construction, space acquisition, remodeling, repairs, and the purchase of appliances and
9 equipment. The grants authorized in this section are subject to the conditions set forth in [section 5].

10 (2) The department of commerce must receive proposals from nonprofit corporations for
11 permanent supportive housing projects.

12 (3) Funding for projects may be provided only as long as there are sufficient funds available from
13 the amount that was deposited or transferred into the permanent supportive housing development account
14 established in [section 2]. Funding for these projects must be made available in the order that the grant
15 recipients satisfy the grant conditions described in [section 5].

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17 **NEW SECTION. Section 4. Eligibility -- submission deadline -- priority -- guidelines.** (1) A
18 nonprofit corporation may apply to the department of commerce for permanent supportive housing development
19 grants under [section 3].

20 (2) Nonprofit corporations shall submit grant applications to the department of commerce in order
21 to be eligible for funding under [section 3].

22 (3) The department of commerce is authorized to adopt guidelines necessary to implement
23 [sections 1 through 5].

24
25 **NEW SECTION. Section 5. Grant conditions -- disbursement of funds.** (1) The disbursement of
26 grant funds for the projects chosen by the department of commerce pursuant to [section 3] is subject to the
27 following conditions:

28 (a) the grant recipient shall execute a grant agreement with the department of commerce that

1 includes a project management plan and reporting requirements to track the outcomes of allocated grants; and

2 (b) the grant recipient shall satisfy other specific requirements considered necessary by the
3 department of commerce to accomplish the purpose of the project as evidenced by the application to the
4 department of commerce.

5 (2) Projects must adhere to the design standards required by applicable regulations. Recipients of
6 program funds for projects that are not subject to any design standards shall comply with generally accepted
7 industry standards.

8 (3) If actual project expenses are lower than the projected expense of the project, the department
9 of commerce shall reduce the amount of grant funds to be provided to grant recipients.

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11 NEW SECTION. **Section 6. Transfer of funds.** Within 15 days of [the effective date of this act], the
12 state treasurer shall transfer the following amounts into the fund provided for in [section 2]:

13 (1) \$50 million from the general fund; and

14 (2) \$25 million from the behavioral health system for future generations fund established in 50-1-
15 119.

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17 NEW SECTION. **Section 7. Effective date.** [This act] is effective July 1, 2025.

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