

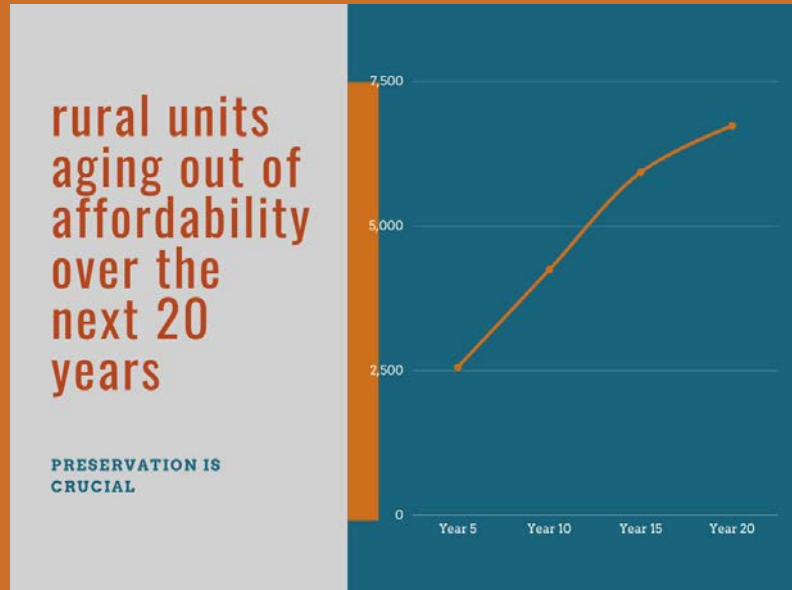


# RESPONDING TO THE HOUSING CRISIS FOR RURAL MONTANA

THERE ARE **2,567** UNITS IN RURAL AREAS ACROSS MONTANA THAT WILL AGE OUT OF THAT USDA PROGRAM IN THE NEXT 5 YEARS. IN THE NEXT 20 YEARS, THAT NUMBER WILL BE **6,734**, ADDING UP TO A HUGE LOSS OF AVAILABLE HOUSING FOR LOCAL MONTANANS IN RURAL AREAS.

**When the generations of people who invested in rural life by working the land and building businesses there can no longer afford homes, the fabric of these communities is at risk.**

Scan this code to see a map of properties that may be at risk without preservation.



Without affordable places to live, we see Montana's workforce sleeping in cars and RVs throughout neighborhoods and on the outskirts of town. Retired seniors who invested time and money into their communities leave because there is nothing to fit their fixed income. Young people with aspirations for coming home to help their family's business or start a new one, find they simply can't afford to move back. Even established business owners can't find workers to hire because those workers have no place to live.



# PRESERVATION IS A WIN-WIN

## Top 3 Reasons to Unlock Resources for Preservation

Removing regulatory barriers to support increasing housing supply is one important tactic. We also need to invest resources in developing and preserving homes Montana's workforce can afford.

Preservation of existing affordable homes leverages the public and private investment that has been made over time, and extends that investment to the benefit of the next generation of rural Montanans.

### Protect rural Montanans

Seniors who lose housing in their communities risk losing connection with their families. Many seniors have already suffered from loneliness and isolation during the pandemic. Preserving housing allows them to stay in their communities and opens up housing options for families and individuals in the workforce.

### It makes economic sense

When we don't preserve the housing we already have, we might as well be filling a cup with a hole in the bottom. To increase housing supply we need to build more, and also preserve the units we already have. According to NeighborWorks Montana, recent efforts to preserve housing in rural areas required just 45% of the investment it would take to construct new homes in their place.

### Open the flow of private investment

When we invest a small amount of public dollars, we can unlock major opportunities for private development. Flexible public dollars make difficult to serve rural areas and projects more attractive, and give private developers the chance to improve properties they might not otherwise pursue.

# WHAT DOES SUCCESS LOOK LIKE FOR RURAL MONTANA WHEN IT COMES TO HOUSING PRESERVATION?

**IT LOOKS LIKE A TOWN OR RURAL AREA WHERE RESIDENTS CAN COMFORTABLY LIVE, WORK, AND RETIRE IN THE COMMUNITIES IN WHICH THEY ARE INVESTED.**

When we partner with private developers who are willing to take on preservation projects, it often means updating and adding value to housing in ways that make it more durable and that benefit the community.

Montana developer Beki Brandborg has a plan for preserving properties and turning them into gems, and she still keeps them affordable to local Montanans. A recent project called Bitterroot Valley Villas involved rehabilitating a building near where Beki lives in Hamilton. The 34-unit project, which cost \$7 million, has it all: energy efficiency upgrades, new appliances and furnishings, plus a downtown location across from the hospital.

Despite its amenities and appealing renovations, it is not a luxury development. It has been designed to be accessible for seniors and people with disabilities, such as veterans. Of the 34 units, 29 include rental assistance, which supports lower-income families living and working in Hamilton.

Beki applied for low-income housing tax credits, which are cash credits awarded to projects that can then be sold to investors. With that money, she was able to update the apartments with accessibility and energy efficiency in mind. The lower apartments have walk-in showers that provide universal accessibility, and flat floors made of waterproof laminate, which are easy to clean and provide a better surface for walkers and wheelchairs. The units have new windows, doors, hot water heaters, furnaces, solar panels, and widened hallways for more accessibility. If the tenants are at all careful, they can have zero energy bills.

“What drives me to do these projects is making sure there is affordable housing for everybody,” she says. “That’s the intent. And while I’m at it, I’m trying to do things that are energy efficient and accessible. The bottom line is, we are preserving housing for people who would not otherwise have clean, affordable, safe and energy efficient housing.”

In 2019, the Montana state legislature passed House Bill 16, which successfully used \$15 million of coal trust fund dollars for housing development in Montana. Those projects were predominantly rural, and many of them were for preservation. **HB16 is an example of how making an investment of flexible dollars can unlock private financing for even more housing and development, multiplying development opportunities while keeping our natural resource dollars in our local economies.**

Increasing access to housing bolsters economic growth. Research shows that the shortage of housing affordable to Americans costs the American economy about \$2 trillion a year in lower wages and productivity.

Without access to housing, families have constrained opportunities to increase earnings, slowing GDP growth.

In fact, it's estimated that the growth in GDP between 1964 and 2009 would have been 13.5% higher if families had better access to housing that matched their income. This would have led to a \$1.7 trillion increase in income, or \$8,775 in additional wages per worker. In addition, each dollar invested in housing for local community members boosts local economies by leveraging public and private resources. This leveraging of resources generates income—including resident earnings and additional local tax revenue—and supports job creation and retention.

The coal trust housing fund, a state housing tax credit, and the state housing trust fund would all create viable and flexible mechanisms to invest and leverage state dollars.

With your support of investment, we can help rural communities keep their economic footing and livelihoods.



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