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Dear Mr. Smith,

Thank you for all the hard work and accomplishments made during the last legislative session. The Housing Task Force was instrumental in creating laws that will help make housing more affordable to Montanans. We are excited to know that the Task Force is continuing to meet to keep the momentum going, and we hope that we can help with this effort.

Over the past year, Keith Miller and Ryan Frey have teamed up to create Upslope Group, a company focused on developing workforce housing in Montana. Our model focuses on manufactured housing communities. It is our belief that manufactured housing will become the new “starter” home for people, as the cost of traditionally built housing is far too expensive for most Montanans to buy. We believe we can bring to market manufactured homes with lots included (on private land), or allow for homeownership on leased land, at half the price of a traditionally built starter home.

One major limitation to the development of Manufactured Home Communities and RV Parks in Montana is the requirement that all Manufactured Home Communities must go through subdivision review, even if the land is to be leased and not individually owned. Currently in Montana, developers are allowed to build multifamily and single family homes without a required subdivision review, which is similar to manufactured home communities in that the land is leased or the land and the buildings are leased. It seems unnecessary for a lease model project to go through subdivision as individual ownership lots are not created. We believe that exempting manufactured home communities and RV Parks from subdivision review would greatly increase speed of

housing delivery and reduce the cost of this type of housing in Montana. The law is [linked here](#).

Another hurdle we have faced is many municipalities and counties require full infrastructure, i.e. sidewalks, curbs, gutters, etc. in manufactured home communities, because that is what subdivision regulations call for. We would argue that Manufactured Home Communities are different from single family subdivisions because the lots are smaller than traditional subdivisions, and that roads, water, sewer, and stormwater are the only infrastructure requirements needed to provide a clean and safe community. The requirements to have sidewalks, curbs, gutters on internal private roads add significant cost to development and make manufactured homes infeasible. If those infrastructure items are required, there is no incentive for the developer to build affordable housing in the form of manufactured homes, as they can get greater returns just by converting to traditional single family home lots. A bill that limits infrastructure requirements to asphalt roads, water, sewer, and stormwater as required site improvements, would go a long way to creating more affordable housing in the state of Montana.

One final barrier we have come across pertains to DNRC land. We have recently been working with the DNRC, and see many opportunities to use DNRC land as part of our workforce housing model. When Montana was accepted as a state in 1889, Congress set aside 6.25% of all the land in the state. The purpose of this land was to be leased to the public, with those lease fees funding K-12 education across the state. They were called School Trust Lands. The purpose of trust lands is to be leased to create revenue, and the DNRC has a mandate to maximize the revenue of each parcel. The lease fees go primarily to K-12 schools, so the DNRC is actively looking to lease these lands to members of the public. [Check out this map to see how incredibly numerous and widespread these parcels are](#).

DNRC Trust Lands represent a large opportunity, which is why HB 819 stated “Where state trust lands are in close proximity to cities, towns, or communities: (1) the department of natural resources and conservation shall undertake an evaluation of whether the lands could be made available for use as land for potential development of attainable workforce housing as a part of the Montana community reinvestment plan”. The hurdle to putting this concept into practice is a regulation that prohibits single family homes on DNRC commercial leases, the law is [linked here](#). We argue that manufactured homes on leased land are not by definition single family homes, because the tenants can own the home and not the land underneath. We believe this should be considered more as a condo than a single family home. Another way to look at Manufactured Homes on leased land is as a multifamily property, which is typically how banks view them. Side note, we have not come across a definition of single-family home in state law. We ask that, either the portion prohibiting single family homes could be

removed, or "Manufactured Home Communities" could be added into the allowable uses definition of DNRC Commercial Lease land.

Thank you again for your help to the people of Montana, by improving the housing laws so more people can afford to stay in this great state. We appreciate your service and hope this momentum can continue.

Sincerely,



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