

June 3, 2021

To: Members of the 2021 Legislature
From: Montana Housing Coalition
Re: Solutions to Montana Housing Shortage

Everywhere in Montana, urban and rural, small town and large cities, the lack of homes for workers is hurting our economic recovery. Montana's economic comeback relies on a strong workforce and, in turn, a strong workforce relies on homes that workers can afford to rent or buy.

Homes and apartments for workers, seniors, veterans and those with disabilities are extremely hard to construct in Montana. Construction labor shortages, high lumber prices, rural distances and affordable financing create barriers for developers wishing to build homes that are affordable to working families, seniors, veterans and those with permanent disabilities. Collectively, these barriers make it impossible for the private market to effectively meet the needs for homes and apartments that are affordable for rent or purchase.

Most states have created public-private partnerships to solve the housing puzzle. Other states who have taken the lead on solving the housing puzzle are seeing millions of dollars of construction in their communities. In three years, Colorado's state housing funding has created more than 19,000 jobs, \$465 million in private-sector investment, and \$1.5 billion of economic activity.

The Montana Housing Coalition on behalf of its members extends its appreciation for the time legislators spent engaged in conversations about possible solutions to this many-faceted problem. The Coalition thanks those legislators who supported legislation during the session that addressed the housing problem in Montana. Moving forward we believe that the concerns noted in the Governor's veto letter for HB397 (State Housing Tax Credit) and in the Senate Finance and Claims Committee's tabling of HB21 (Coal Trust Homes Loan Fund) can be satisfactorily addressed in the 2023 session.

During the interim, the Montana Housing Coalition encourages legislators, candidates, the administration and local officials to find out more about solutions to Montana's housing shortage. Building more homes and apartments is not beyond our capability – if Montana has the will to participate in the private-public partnership solutions.