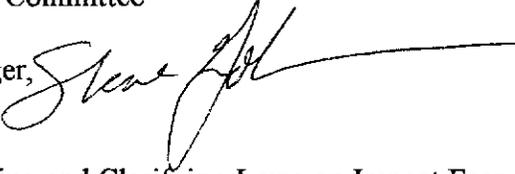


EXHIBIT 3  
DATE 3.10.05  
SB 185

TO: Representative Noennig, Chairman,  
House Local Government Committee

FROM: Steve Golnar, City Manager,   
City of Livingston

RE: Support for SB 185 Revising and Clarifying Laws on Impact Fees

DATE: March 10, 2005

The City of Livingston is experiencing significant development impact now and we need the Legislative authority to assess impact fees to offset capital and infrastructure costs for Police, Fire, Ambulance, Transportation (including a railroad crossing, storm sewers, and intersection signalization) required by the demands of growth. Water and Sewer Service system development fees are currently in the process of being reevaluated.

FY02-03	3 residential permits 22 remodels
FY03-04	13 residential permits 59 remodels
FY04-05	68 residential permits So far 123 remodels

79 new lots approved at the beginning of February 2005. These have all been sold and requests for 13 additional residential permits have already been received. An additional 52 lot subdivision which was previously going to be developed by a developer is now being sold off resulting in more residential permit requests.

We are hearing about development proposals which could result in nearly doubling the size of our community (currently 3,200 households). Almost all of this development would take place to the North and west of Livingston which will heighten the need for more rail road track crossings.

Livingston needs the ability to create and assess impact fees to address the front-end costs associated with grow and we need that ability now. The Legislature's assistance in creating impact fee authority for general powers local governments is desperately needed.

Thank you.

Cc: Livingston City Commission  
Livingston Local Government Study Commission



*Have a hand in building hope.*

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February 16, 2005

To the Montana State Legislators

RE: Impact Fees/Taxes, Bill # 185

When considering a measure to place impact fees and/or taxes solely on the land developer, I ask you to keep in mind that the developer passes on the cost to the homebuyer or the price of a lot to the consumer. The Flathead Valley's current 34-percent increase in housing costs is largely associated with the cost of the land, not the improvements. In other words, land value is driving the cost of housing. With the addition of impact fees for development, affordable housing is likely to simply disappear.

Impact fees severely affect the median-income earner, or half the population. Many people working full-time jobs with good credit who have qualified for mortgage loans are virtually out of luck—there are no houses available in their price range. Builders are finding it increasingly difficult to build houses for the median-income family and stay in business. A \$100,000 to \$125,000 home is scarce to nonexistent—why? The builder has very little choice: When his costs go up, his price must go up to compensate.

As executive director of Habitat for Humanity of Flathead Valley, I see an even deeper need for affordable housing. As the median income need grows, so grows the need for the lower and very low income working-poor family. When a person earning \$34,000 annually can't afford to buy a decent home, he buys a fixer-upper, quite probably the former home of a lower-income family that can no longer afford it. As local governments and businesses focus on preserving the local beauty and building the community aesthetically (bringing in more malls, theaters, etc.), the standard of living of the poor is adversely affected.

Fees must meet the test of "rational nexus," as described in the Flathead Building Association's positions on growth issues in the Flathead Valley. The roads that we travel each day, the water and sewer facilities we use and share today, plus the schools, fire and police protection that is available to most of us were paid for by those who came before us. They continue to exist because of the community that we are all a part of. How will the average full-time working person have the opportunity to own his or her own home (the American Dream) if we do not share the cost of infrastructure growth and maintenance?

As local governments focus on preserving and improving community aesthetics without making provisions for affordable housing, the poor become significantly displaced. And that in turn creates a greater need for assistance and social services.

It is a fact that children living in a stable home environment do better in school. Homeownership gives families a sense of stability, increased self-esteem and overall well-being. Homeowners have a vested interest in their community, add to the tax rolls and build a financial future for their families. Decent, affordable housing must be made available for everyone. Let's help people break the cycle of poverty by providing every working person/family an opportunity to own or rent an affordable, decent place in which to live.

Jane Leivo  
Executive Director  
Habitat for Humanity of Flathead Valley

cc: Mayors and city councils/ Kalispell, Whitefish, Columbia Falls