EXHIBIT 14
DATE 1/9/07
HB

Challenges

Lack of work force and low-income housing is widespread across our state, presenting significant barriers to the economic growth of Montana's families and communities.

- **Between 1998 and 2003, average household income rose about 10%, while the average cost of a home rose about 50%. In some areas of Montana, housing prices have increased as much as 63%.**
- **Even those with median incomes have been priced out of the homeownership market in many parts of Montana.**
- **In 2006, the median cost of a home in Whitefish was over $306,000, more than $278,000 in Corvallis, and $178,000 in Billings.**
- **According to the 2006 Northwest Job Gap Study, the living wage for a Montana family that includes single adult with two children is $19.98/hour. Just 16% of all Montana jobs pay this well.**
- **The Montana Chamber of Commerce reports that worker shortages and lack of affordable housing for workers are universal issues within Montana's business community.**
- **Montanans with very low incomes such as seniors, persons with disabilities, and single parent families, pay rents that far exceed 50% of their monthly incomes.**
- **Seniors and other persons with disabilities need accessible, affordable stable housing to maintain independent living in the community.**

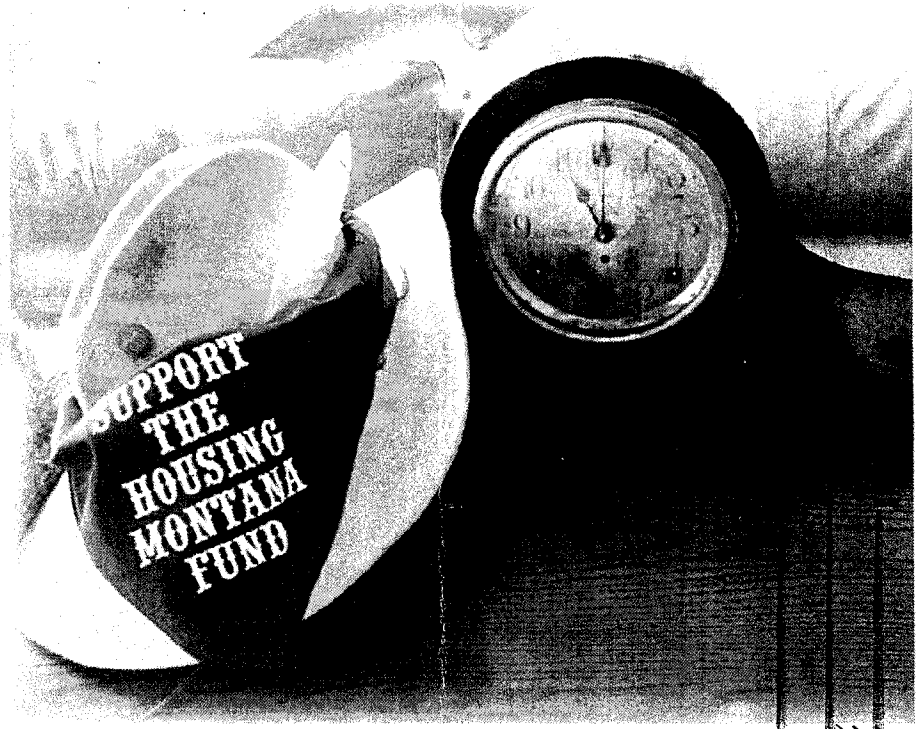
Solutions

The *Housing Montana Fund* would replace the existing Housing Trust Fund and provide new resources to invest in safe, affordable housing for Montana's work force and low-income citizens.

- **The housing industry is a major component of the economy. According to national data, housing constitutes more than 1/3 of the nation's tangible assets.**
- **Every dollar invested in Montana housing yields $1.45 in benefits.**
- **Every dollar invested in the *Housing Montana Fund* is expected to leverage an additional $9 from other public and private sources. As a result, a $10 million investment in the *Housing Montana Fund* will yield:**
  - **1,000 housing units;**
  - **250 jobs; and**
  - **$14.5 million in wages.**
- **Decent, affordable rental housing has a demonstrable impact on family stability, the ability to maintain employment, and the life outcomes of children.**

The Housing Montana Fund

The Housing Montana Fund: an investment in Montana's economic future.



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Our Home's in Montana
(to the tune of *My Home's in Montana*)

Our Home's in Montana
We wear this bandana
And we'd like to stay here
Please listen today...
Hey Governor Brian,
Our families are cryin'
For housing that gives them
A safe place to stay.

Housing Montana...
Please wear our bandana
We need your help
And ask you today.
Let's get this idea
Looking more real,
A fund for our housing --
Done the right way.

Homes for Montanans --
Each woman and man then
Will have the right shelter
For their family.
State money is needed to
Make this hard work be
Successful in housing
The best we can be.

A Housing Montana Fund
Let's go get this thing done
Then we can all get
Together and sing --
We all love Montana
We wear our bandanas
To show we are going
To do the right thing.

Endorsed by:

An informal task force has been meeting to develop a plan. The efforts of the highly diverse membership demonstrate strong, unified support for the *Housing Montana Fund*. The list of partners has grown and is continuing to grow. Supporters of the *Housing Montana Fund* include:

- **Montana Association of Realtors**
- **Montana Homeownership Network**
- **AARP Montana**
- **Montana Building Industry Association**
- **Montana Association of Counties**
- **homeWORD**
- **Salish Kootenai Housing Authority**
- **Montana Council on Homelessness**
- **Montana Home Choice Coalition**
- **Montana Smart Growth Coalition**
- **Rocky Mountain Development Council**
- **HRDC Directors Association**
- **Montana Council on Developmental Disabilities**
- **Disability Action Alliance of Montana**
- **Montana Fair Housing**
- **Montana Advocacy Program**
- **Montana Mental Health Association**
- **Montana Senior Citizens Association**
- **Montana Women Vote**
- **Working for Economic Equality and Liberation (WEEL)**
- **National Alliance on Mental Illness - Montana**
- **AWARE**
- **Elkhorn Affordable Housing Corporation**
- **Montana National Association of Housing and Redevelopment Officials**
- **Whitefish Housing Authority**

Housing Montana Fund

Legislation and Budget Proposal

Montana's Housing Trust Fund was established by the 1999 Legislature, and was called the *Housing Revolving Loan Fund*. That fund was created to assist projects that just needed a last, small piece of financing to make them viable. No funding was provided that session, but the 2001 and 2003 sessions both allocated small amounts of one-time-only funding that have since been used in housing projects and homeownership programs. The fund has nothing left for future housing projects and no sustainable sources to help it continue its work.

The purpose of this legislation is twofold:

1. Make changes to the legislative authority of the Housing Revolving Loan Fund to help it operate more efficiently; and
2. Identify an ongoing, permanent revenue source to fund these activities.

Changes to MCA

A list of changes is being proposed to the Montana Code Annotated (MCA) t make the Revolving Loan Fund more responsive to Montana's continuum o housing needs.

- Change the name to the *Housing Montana Fund.*
- Allow the Board of Housing to account for all funding within the housing authority enterprise fund.
- Enable funds to be disbursed as grants, loans or a combination thereof.
- Add targeting language, with 20% to rural areas based on population and 50% to assist people living on incomes of 0 - 50% of the local median family income.
- Add language to ensure long-term affordability of all housing units.
- Add bonding authority.
- Add acquisition of land for housin development, land banking and lar trust into the list of uses.
- Allow use of funds for short-term, site-based vouchers.
- Add state government or subdivisions of state government t the list of eligible organizations.
- Add sources of dedicated revenue.