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Honorable Members of the Interim Local Government Committee  
Via Email

Thank you for the opportunity to comment on the State's response to the pandemic and the use of the federal relief funds. The sum allocated \$1.25 billion seems generous, but the demands for relief will outstrip the funds.

The Montana Housing Coalition made the following recommendations to the Relief Fund Task Force, estimating a cost of up to \$400,000:

1. To support housing for persons experiencing homelessness and housing instability (doubled up, couch-surfing, other conditions), rental assistance paid directly to landlords; and mortgage assistance paid to lenders, so families and individuals can be housed and remain housed for health reasons and to help catch up on back rent and mortgage payments resulting from loss of income due to job loss.
2. To support housing counseling, financial coaching and social service navigation so families and individuals understand their options and seek the help they need to get adequate housing or remain housed and to provide services to individuals and families struggling to find and maintain housing.
3. To create risk mitigation funds payable to landlords to alleviate the risk of damage or non-payment of rent to landlords for individuals and families with credit blemishes or lacking prior landlord recommendations
4. To create long-lasting homeless shelter alternatives so individuals may properly quarantine, i.e., local government or non-profit agency purchase of modest motels and hotels to be used for transitional and permanent housing.

We know that stable housing is a key to economic recovery. During the 2008 downturn, families lost their homes, both rental and owned, because we reacted too late to save them. The impact of this delayed response was enormous in terms of personal wealth, on financial institutions and on local and state economies. Money spent now to house, rapidly re-house and maintain housing will save money in the long run, with lower health care costs, reduced impact on social services and unemployment and stronger economic growth and workforce.

While the Relief Funds are critical for the recovery from the pandemic, we know that existing housing issues have been exacerbated by the pandemic. Two thirds of the Federal Housing Tax Credit applications to the Montana Board of Housing are not funded due to lack of funds, while Montana continues to leave millions of 4% credits on the table. The Voucher waiting list exceeds 6,000 families. Homelessness is growing. Long-term solutions are needed.

A state Housing Tax Credit will immediately put construction workers on the job and create more homes and apartments that people can afford to rent or buy, but the cost to the general fund will not appear for three to four years, because of the length of the Tax Credit Award process and construction. A direct appropriation will provide more "bang for the buck" and will jumpstart construction of housing developments. The Coal Tax Homes Loan Fund has been very successful, with \$14.5 million deployed in less than one year to build or preserve 252 apartments in 7 towns. An additional \$15 million would allow continuation of this success.

Thank you for this opportunity to provide comments. We look forward to working with the Committee to create solutions for Montana's housing problems.

Sheila Rice, Chair, Montana Housing Coalition Board of Directors