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Local Government Interim Committee
66th Montana Legislature

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August 23, 2020

TO: Local Government Interim Committee (LGIC) Members
FROM: Toni Henneman, LGIC staff

RE: Emergency Housing Assistance Program and Missoulian article attached

Committee Members,

Earlier in August, Representative Fern forwarded Chair MacDonald and I the following news article from the Missoulian and asked if the committee could request a follow up with the Department of Commerce. The article claims multiple difficulties with the Emergency Housing Assistance Program. Please see the final document in this tab for the department's response.

Specifically, the department was asked to respond to the following claims made in the article:

1. willingness of landlords to accept rental assistance funds;
2. difficulties completing applications;
3. currently dispersing only 2.4% of the total \$50 million; and
4. policy roadblocks that may stifle the effectiveness of the program.

Thank you,

Toni Henneman
406-444-3593

https://missoulian.com/news/state-and-regional/state-says-montana-rental-assistance-program-largely-unused/article_c6417e5b-247b-56a1-bbf0-96f52e2f4cfb.html

State says Montana rental assistance program largely unused

AMY BETH HANSON Associated Press

Aug 1, 2020



From left, Mike Banderob, 38, Rose Banderob, 11, and Scott Banderob, 58, host a garage sale in order to raise money to pay for rent and other expenses on Friday in Bozeman. Their landlord is planning to evict them in September, refusing to accept money from the CARES Act Housing Assistance Program or other local non-profits attempting to intercede on the Banderob's behalf.

Rachel Leathe, Bozeman Daily Chronicle

Where to apply

To apply for rent and mortgage assistance, visit www.covidrelief.mt.gov.

Montana set aside \$50 million in federal coronavirus relief funding to help people make their rent or mortgage payments during the economic upheaval caused by coronavirus. But

through the end of July the program has paid out just over \$1.2 million, about 2.4% of the available funds, state figures show.

So far, about 750 Montana residents have submitted valid applications for the funding, a fraction of the 131,000 who have applied for unemployment at some point since mid-March as the pandemic ravaged the global economy.

Officials can't pinpoint exactly why the program isn't being used more, though Montana Department of Commerce spokeswoman Emilie Ritter Saunders said one of the holdups is that a few landlords are not providing information the state needs to process the claims. John Sinrud, a lobbyist for the Montana Landlords Association, countered that some tenants who could use the help aren't seeking the assistance, and that state policies put up roadblocks.

The limited participation in the program has led Gov. Steve Bullock's office to craft new plans to make people aware of the money while also acknowledging it might need to reallocate the funds to other programs.

Montana, with just over a million residents, set aside more money than several larger states. Connecticut has a \$10 million rental assistance fund for 3.5 million residents and Florida has a \$5 million fund for 21.5 million people.

Montana, however, is cautious about shifting the funds too soon because it's bracing for an increased need with the end of the \$600 weekly boost in unemployment benefits from the U.S. government and the expiration of a federal moratorium on evictions, the governor's office said.

Scott Banderob of Bozeman applied for the emergency housing assistance in late May after he lost his job with a painting company. The state has approved his application, but his landlord in California, who Banderob pays through a property manager, won't fill out a tax form that's required to receive the payment, he and Saunders said.

"They want their money for rent, but they don't want that money," Banderob said about the assistance funds. "When they made these funds available, they should have made these landlords have to take it."

The Nemelka Law Firm, which represents the landlord, did not return a phone message seeking comment on the reason Banderob's landlord isn't working with the housing assistance program.

There is no legal way to force the landlord to cooperate and accept the money," said Amy Hall, a housing attorney with the Montana Legal Services Association.

Banderob said he has sold a couple guns and held a garage sale to raise money while someone at his granddaughter's school paid their rent for one month on the three- bedroom apartment he shares with his son and granddaughter. His son is on blood- thinning medication due to a clotting disorder diagnosed 18 months ago and has been unable to work, Banderob said.

The emergency housing assistance program provides rent, security deposit and mortgage payment help for Montana residents who have lost a job or substantial income as a result of the pandemic. The applicants must pay 30% of their monthly gross income toward their rent or mortgage and the assistance program will pay the rest, up to \$2,000 a month. There are income and asset limits for eligibility.

The current approved but unspent payments total about \$560,000 on behalf of 237 renters in Montana, Saunders said. The agency is calling and emailing the landlords and property managers to try to obtain the information needed to send payments.

Fewer than a dozen landlords have refused to sign the required tax form, Saunders said.

Sinrud, the lobbyist for the Montana Landlords Association, said he hasn't heard that any of his organization's more than 1,300 members are refusing to participate in the housing assistance program. In fact, he said, landlords are encouraging their tenants to apply for the aid. Some aren't following through, he said.

The online applications the state prefers are an obstacle to people without access to a computer or the internet, Sinrud argues. Applicants are asked to upload their proof of income and copies of their lease or mortgage agreements. The program also throws up roadblocks for people who had been looking for work, but weren't employed, when the economy was shut down due to the coronavirus, Sinrud said. The program requires people to explain how the pandemic affected their income.

“I don't know what's more COVID-related, you lose your job due to COVID or you can't find a job,” Sinrud said. “These are just working class Montanans that get hammered from bad state of Montana policies.”

On Tuesday, the Department of Commerce announced a partnership with NeighborWorks Montana to increase awareness of the emergency housing assistance program and to help people file applications, Commerce Director Tara Rice said.

Montana received \$1.25 billion in federal coronavirus relief money, which must be spent by the end of the year or returned to the federal government. Bullock has allocated about \$822 million to help businesses, nonprofits public health and schools, officials said. The state has spent nearly

\$106 million through July.

Republican lawmakers have criticized the governor for not distributing the money more quickly.

“Money distributed, NOT money allocated, is what matters for Montana families and Main Street businesses,” the Montana Republican party said.

Community Health Partners in Bozeman ended up helping Banderob with his August rent and he's put in his 30-day notice with his current landlord. The housing assistance program is willing to help Banderob with a down payment and rent if he can find another place to live, Saunders said.

Now he's looking for a job and a place to live in Bozeman's tight housing market.

“It's like being in a brick-walled room,” he said. “No matter which way you turn you're beating your head against concrete.”
