



GOVERNOR'S HOUSING TASK FORCE

Recommendations and Strategies to Increase the Supply of
Affordable, Attainable Workforce Housing

DECEMBER 15, 2022

**REGULATORY CHANGES AND BEST PRACTICES THAT COULD
BE ADOPTED BY STATE AGENCIES AND LOCAL GOVERNMENTS**



A REPORT BY THE MONTANA GOVERNOR'S HOUSING TASK FORCE



DECLARATION STATEMENT

I hereby submit this initial report of the Governor's Housing Task Force. My submittal of this report as presiding officer complies with Executive Order No. 5-2022 for the December 15, 2022, submittal deadline. The report identifies regulatory changes and best practices that could be adopted by state agencies and local governments.

The report was approved by a majority of the Housing Task Force members.



Christopher Dorrington, Director

12/15/2022

Date

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MESSAGE FROM GOVERNOR GIANFORTE

Fellow Montanans,

It is my pleasure to share with you the second of two reports from the Governor's Housing Task Force. The diverse members of this bipartisan Task Force have worked together to deliver this series of recommendations and strategies to address the longstanding shortage of housing – a shortage that continues to drive up prices Montanans pay for their home.

The Task Force's second report features recommendations for regulatory changes and best practices state agencies and local governments can adopt to increase the supply of affordable, attainable workforce housing in Montana.

I look forward to working with leaders at state agencies to review and implement many of the ideas the Task Force has provided here. I also urge local leaders across our state to explore the Task Force's innovative ideas which they may enact.

The Task Force's second report complements its first, which focuses on measures to increase Montana's housing supply that can be adopted through the legislative process.

Owning a home is foundational to the American dream. For the last 12 years, however, owning a home has become more and more difficult for Montanans. While our population grew nearly 10% over the last decade, housing grew by less than 7%. Faced with a shortage of housing supply, hardworking Montanans struggle to own or rent a home. Rising prices and inflation levels not seen in more than a generation are making it even harder to own or rent a home.

To address this urgent, pressing need, we must act to increase the housing supply and bring homeownership, and the American dream, into greater reach for more Montanans.

I thank the members of the Task Force for their tireless work and innovative ideas in this report. As evidenced in these pages, the members of this Task Force have proven they are committed to working together to make housing more affordable and attainable for Montanans. I appreciate the unique perspective, valuable experience, and breadth of input each member brings to the Task Force.

I also thank Chris Dorrington, director of the Department of Environmental Quality (DEQ), for his steady hand and leadership of the Task Force. Working with its members, Director Dorrington and the dedicated staff members at DEQ made this report and these recommendations a reality – from launching the subtask groups to supporting Task Force members to ensuring a robust, open public process.

Finally, I thank all Montanans who made their voices heard throughout this process. I look forward to your continued input as we work together to make housing more affordable and attainable throughout our Treasure State.

Sincerely,



Greg Gianforte
Governor





PURPOSE, SCOPE AND INTENT

On July 14, 2022, Governor Gianforte signed Executive Order (EO) No. 5-2022 creating the Housing Advisory Council, also known as the Governor’s Housing Task Force (Task Force). The Task Force was charged with providing short- and long-term recommendations and strategies to the Governor for the State of Montana **“to increase the supply of affordable, attainable workforce housing.”**

The availability of affordable, attainable housing is critical to the wellbeing of individuals, communities, businesses and organizations of all sizes, and the state’s economy at large. However, driven by a shortage of housing supply, Montana faces a crisis that poses substantial challenges for hardworking Montanans seeking to live, work, and raise families in our state.

Many factors are driving housing shortages across the United States, including a lack of available construction labor, land use regulations, zoning restrictions, and a lack of developable land. In recent years, home prices have skyrocketed, newly listed homes were sold within hours of listing, and rental vacancy rates fell, driving up rent prices across Montana. Supply has simply not kept up with demand leading to a record-low housing inventory in early 2022.

The purpose of the Task Force is to find solutions to these complex issues in the interest of Montana citizens and job creators. The EO directed the Task Force to produce two separate written reports, specifically looking at expanding the state’s construction workforce, and reforming land



use regulations and zoning restrictions. The first report was submitted to the Governor on October 14, 2022 and included measures the Legislature could consider, and the Governor could sign into law. The second report, due to the Governor by December 15, 2022, includes regulatory changes and best practices that could be adopted by state agencies and local governments.

The scope of the assignment is to provide reports that are broad and variable, recognizing the complexity of the Montana housing conversation. The adopted recommendations are not meant to require immediate Legislative action. Rather, they are intended to further inform the Legislature, Governor, state agencies, local and Tribal governments, and the public.

Furthermore, the Task Force reports are not considered to be final studies on the issues or complete solutions to the multi-faceted housing crisis. Governor Gianforte understands that other sources of information will and should be introduced into the conversation over time. He intends to advance the Montana housing conversation by deliberately focusing the time and attention of many experts on this specific issue. The Task Force was designed to support this endeavor.

The Governor's Housing Task Force

Task Force members were appointed by the Governor and included state and local elected officials, state agencies, state boards, councils, and commissions,

housing-related professional associations, advisory groups, and researchers, among others. The Director of the Department of Environmental Quality (DEQ) served as the presiding officer and provided the Task Force with administrative support along with staff from the Department of Commerce (DOC).

In developing these recommendations and strategies, the Task Force sought input from the public, members of the Legislature, Montana associations whose members are impacted by housing policy, advisory groups and researchers focused on housing policy, and other appropriate stakeholders as determined by the Task Force.

The Task Force identified four main issue areas and developed Subtask Groups to work on these key issues: regulatory and permitting barriers, local issues, construction and supply chain challenges, and economics. Each Subtask Group sequenced their discussions around the following assignments:

- Identifying the **challenges and barriers, i.e. issues** that inhibit increasing housing supply to meet demand.
- Identifying **potential solutions** to address the identified challenges and increase the supply of affordable, attainable workforce housing.
- Prioritizing a handful of actionable **recommendations and key strategies**.

In this report, recommendations and strategies are organized by Subtask Group, beginning with those items prioritized by the Task Force. Additional

issues, changes, and suggestions identified are included and outlined in Appendix A while additional resources and information are included in Appendix B.

Public Participation Process

All Task Force and Subtask Group activities held open meetings and encouraged the public to share questions, comments, and suggestions. DEQ hosted a Task Force website that identified appointed members and their affiliations to advertise public meetings, publish meeting recordings, and solicit public comment through an interactive comment portal.

For this second report, the Task Force and Subtask Groups met 12 times in-person and via video conference between November and December. All meetings were noticed to the public via a dedicated website (deq.mt.gov/about/housing-task-force) and email listserv with nearly 600 individual contacts and meetings included dedicated time to hear public comment. Members of the public also provided input to the Task Force and shared relevant information via an online comment portal. To date, the Task Force website collected over 145 comments, not including those sent directly to Subtask Group co-leads.

The website comment portal also provided an interactive map viewer to identify where commentators live by zip code and other socio-demographics. The Map Viewer allowed the public to review comments and suggestions submitted via this media to the Task Force.

The majority of comments were evenly received from the more populous counties in the western and central parts of the state with few individual comments received from eastern counties.

One comment mentioned the concern that Task Force meetings were being held during the work day and many people were not able to participate. In response, DEQ scheduled an evening public meeting for the purpose of discussing the Preliminary Draft report with the Task Force membership.

For this report, comments received addressed the following broad issues:

- **Economics & Other**

Cost sharing on workforce housing infrastructure with local government and the developer; renting or leasing state lands to a reasonable rate that incentivizes workforce housing; down payment assistance to essential workforce, teachers, fire, police/sheriff, EMTs, etc.; mortgage holiday of 0% up to \$20,000; down payment grant program; interest rate buydown grant; Montana credit score system; temporarily revise the housing tax credit eligibility threshold; remove financing barriers for independent contractors and small business; put an immediate moratorium on out-of-state investors; and provide grants for first time home buyers.

- **Local Issues**

Encouraging / incentivizing local governments do more to allow housing projects; suggestion for more emergency and temporary housing options across



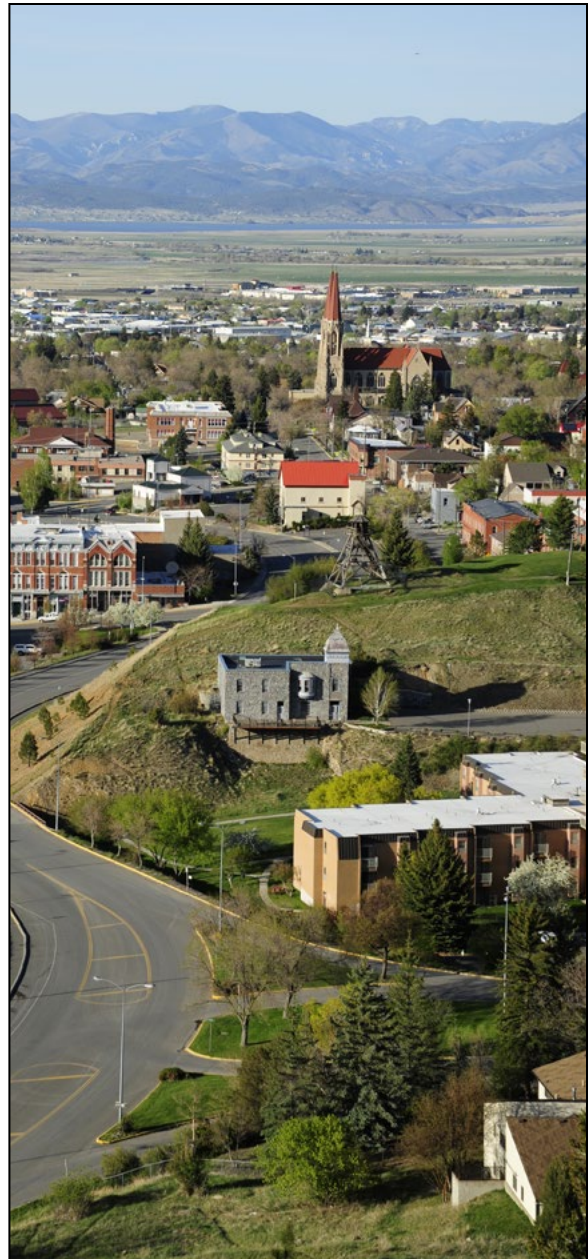
the state; concern for unnecessary government intervention strategies; concern for surface and groundwater quantity and quality; concern for state-wide, one-size-fits-all regulatory approach; concern for haphazard rural development over planned urban development; and concern for using state tax dollars to advertise people moving to Montana.

- **Regulatory & Permitting**

Concern for excluding single-family zoning which may result in predominately multiple family housing with crowded neighborhoods; opposition to state-owned land being sold for housing; concern for corporate ownership of rental property; support for state policy reforms addressing corporate-owned rentals; and streamlining the DEQ permitting process.

- **Construction**

Encouraging private industry trades training through apprenticeships and other programs to attract and retain both skilled and professional workers; support to grow existing established trades education and training programs; encouraging current homeowners to build secondary dwellings; understanding the value of accessible housing; reduce housing material costs and improving materials availability; concern for the use of out-of-state contractors; and state assistance to build a panelized construction manufacturing facility capable of producing more than 100 units per year.



Source: *DOC Photo Archive*



LIST OF RECOMMENDATIONS

Executive Summary

For this report, the Task Force developed 18 recommendations which outline three (3) overarching strategies state policymakers can use to address Montana's housing shortage:

1. Address Regulatory Capacity and Efficiency

Six (6) recommendations suggest that state agencies and local governments invest time to review regulatory process efficiency with an intent to streamline the current permitting process. Also, identify and modify portions of state code that may limit the ability of local jurisdictions to streamline or expedite routine administrative tasks that add unnecessary delay to building projects. This approach would include looking at occupational licensing and state building code review. Recommendations seek to reduce the time and steps of the required permitting process that may reduce costs to the applicant and stimulate development. Local governments are encouraged to seek opportunities to remove inefficiencies from their development permit review processes. These steps may help increase capacity without requiring higher permit fees or greater levels of public funding.

Recommendations focusing on this strategy include 1B, 2D, 3A, 3C, 3D, and 3F.



2. Information Gathering and Reporting

Five (5) recommendations suggest that state agencies support local governments by providing technical assistance to inventory / study infill development opportunities to increase the awareness of housing markets across the state and to understand the basic functioning of the state's regulatory and approval process. This may include an inventory of eligible underutilized state-owned lands in urban areas that may be appropriate for housing. Gathering and providing this basic information can be used as a benchmark for housing outcomes and regulatory throughput. These metrics may also be used to implement to reduce the costs of development and increase the supply of housing.

Recommendations focusing on this strategy include 1D, 2A, 2B, 2C, and 3E.

3. Use of New and Existing Programs

Seven (7) recommendations suggest that state agencies and local governments invest more resources to develop and enhance a skilled workforce. This investment will ensure people are available and trained to work. Also, recommendations to explore the benefits of innovative construction methods using modern technologies, materials, techniques and building systems/practices. Investigate opportunities to build-out community infrastructure, such as water and sewer systems, roadways, utility connections, traffic control, parks, and public access, etc. Also, look at equitable ways to spread those over-heads costs. Recommendations to explore the creation of Community Land Trusts as non-profit organizations to assist with financing new development in a predictable, equitable method. Explore the use of existing state funding that may be targeted to projects located in jurisdictions that have proactively removed barriers to affordability in their zoning ordinances.

Recommendations focusing on this strategy include 1A, 1C, 2E, 3B, 4A, 4B, and 4C.

Below is a summary list of recommendations that focus on regulatory changes and best practices that could be adopted by state agencies and local governments. In the section below there are expanded recommendations with a thorough explanation that includes rationale, barriers addressed, key strategies, dissenting opinions, and supporting graphics when applicable.

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Economics & Other Subtask Group

1 ECONOMICS & OTHER: RECOMMENDATIONS, EXPANDED

1A Prioritize Dense Infill Development Over Greenfield Development

RECOMMENDATION:

Prioritize dense infill development over greenfield development.

RATIONALE:

The goal is to provide more housing while maximizing the use of the existing infrastructure. This recommendation will control infrastructure costs and responsibly manage municipal finances.

BARRIERS ADDRESSED:

Current zoning limits higher-density development in most existing neighborhoods. Local communities must address this issue from within. Building and fire codes can be an impediment to economically repurposing or renovating existing structures. Review and reform of building and fire codes are needed.

KEY STRATEGIES:

Developing a best practices strategy and providing technical support for local government to help implement these practices. This can be accomplished by mobilizing and equipping the DOC's Community Technical Assistance Program (CTAP) to work with local government associations (Montana Association of Counties and the Montana League of Cities and Towns) to provide training and a road map to effect zoning changes and code reform within local communities.

DISSENTING OPINIONS:

Concerns over top-down or centralized planning schemes having a deleterious effect on quality of life and community culture. People do not want to see their neighborhoods negatively impacted by issues associated with higher-density housing. Specific issues with traffic congestion, crime, and a generally negative impact on quality of life caused by mixed-use and high density were expressed.

Local input and decision-making authority were a priority.

1B Permit Review Efficiencies Through Streamlining Techniques

RECOMMENDATION:

Maximize review efficiency by streamlining the permitting process to approve new development in less than three months from application submittal.

RATIONALE:

Regulatory certainty provides less risk for investors and developers. The more certainty in the timeline for development exists the less it costs developers to build and reduces the cost of housing.

BARRIERS ADDRESSED:

Appropriate staffing to adequately meet the demands of application review, both in the number of employees and qualifications.

KEY STRATEGIES:

This is another situation for the DOC's CTAP to provide technical assistance to those communities needing help in implementing a streamlined process to effectively review applications.

DISSENTING OPINIONS:

Local governments are concerned with mandates limiting adequate time for review, are too restrictive, and don't allow for sufficient citizen engagement when reviewing applications that may have significant impacts on the community.

1C Appropriate Cost-Share Strategies to Encourage Development

RECOMMENDATION:

Spread the cost of off-site improvements amongst users and/or multiple developments rather than on a single development, whenever possible.

RATIONALE:

Municipal infrastructure financing schemes often rely on developer payments. Developers are often asked to pay for infrastructure improvements like roads, sidewalks, curbs/gutters, and traffic control mechanisms. Particularly when these improvements are located beyond the boundaries of a development, efforts should be made to spread these costs more equitably amongst all developments and/or users, rather than requiring a single development to bear the burden of this cost

This approach would provide greater incentives for utilizing existing infrastructure by infill rather than greenfield development.

BARRIERS ADDRESSED:

The barrier addressed includes the excessive off-site improvement costs that increase the final housing market price.

KEY STRATEGIES:

Use of resort tax / Tax Increment Finance funds where applicable, limiting the requirement for off-site improvements to only those required rather than as a standard practice. Spread the costs of anticipated off-site infrastructure needs among all development proportionally.

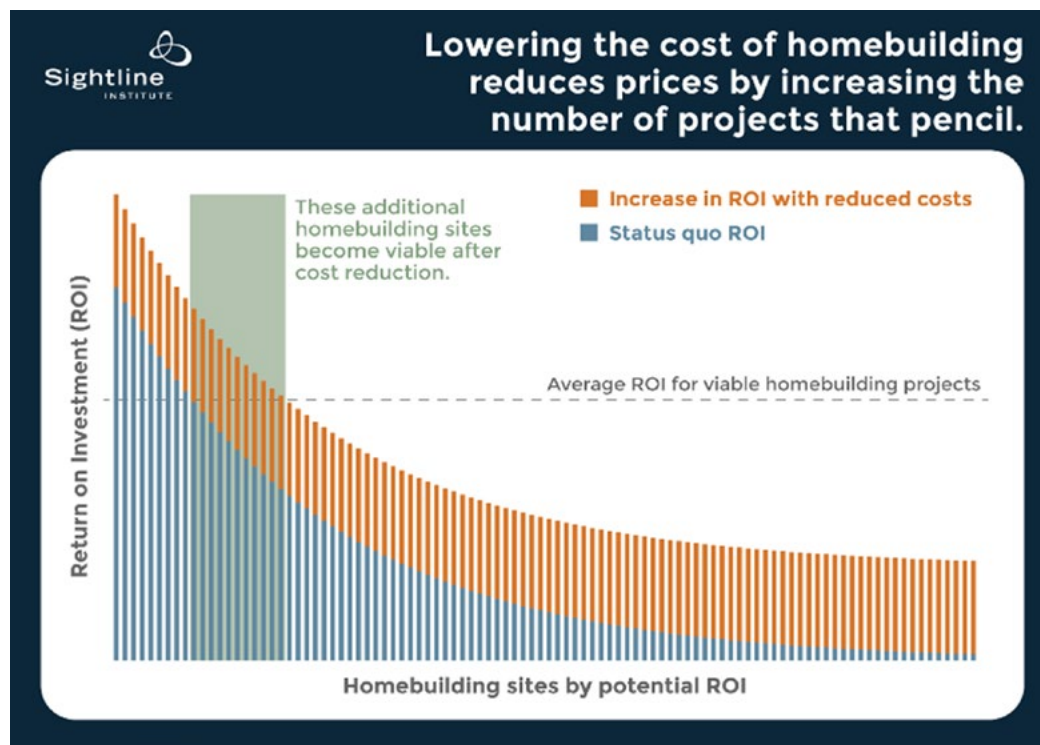
Review the Administrative Rules of Montana (ARM) at 17-15-4283(4) definition of “infrastructure” that includes reference to “workforce housing” eligible for tax increment financing. This definition resulted from SB0388, 2021 Legislature.

DISSENTING OPINIONS:

There was concern about negative impacts on municipal finances if payments for off-site improvements are not utilized as frequently or in the same ways.

SUPPORTING GRAPHICS:

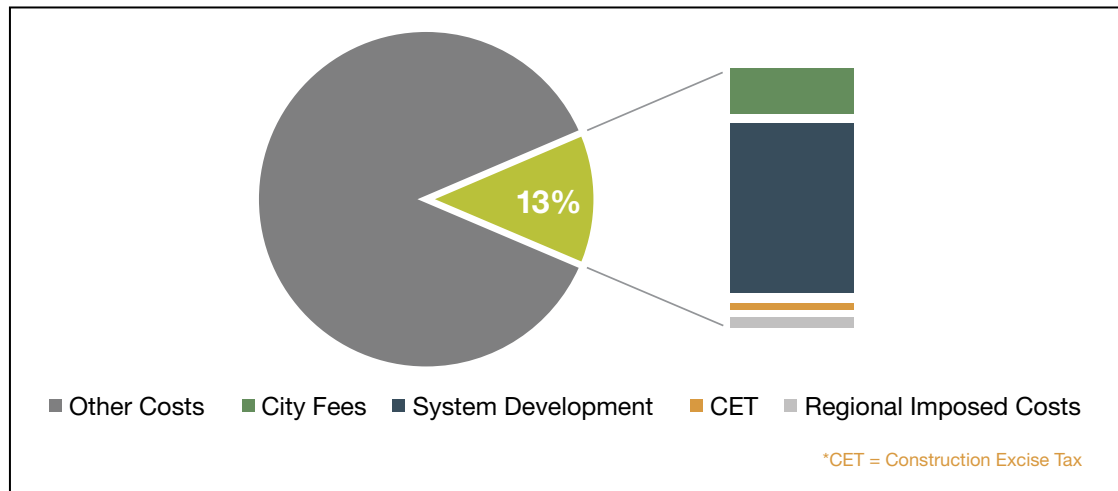
Homebuilding Return on Investment



Source: *Sightline Institute, sightline.org*

Costs on Housing Development Projects

Government Imposed Fees Represent a Small Share of Total Costs on Housing Development Projects



Source: *Strategies for Accelerating Housing Development in Portland*. April 10th, 2017.
portlandoregon.gov/cbo/article/641311

1D State Technical Assistance to Inventory Local Development Opportunities

RECOMMENDATION:

Have the state provide technical assistance to municipalities to inventory / study infill development opportunities.

RATIONALE:

Many municipalities in Montana are small and struggle to have the staff to simply run their operations, making it difficult to perform work and projects beyond basic administrative functions. Infill development is a benefit to improving municipal finances as long-term infrastructure maintenance costs are decreased with more compact infrastructure systems. With short-handed planning departments, it can be difficult for many municipalities to effectively identify and plan for these opportunities long-term, in advance of high development pressures.

BARRIERS ADDRESSED:

The barriers addressed include the following:

- Difficulties in staffing local planning departments, particularly in more rural areas of the state.

- Lack of Planning Accreditation Board certified programs in the state to develop local planning talent (see Appendix A for this additional suggestion).
- High development pressures that lead to rapid redevelopment in the setting of outdated growth plans.

KEY STRATEGIES:

Expand state agency technical assistance to include infill versus greenfield development in its scope, or create a separate local technical assistance program administered by the DOC for this purpose.

Technical assistance may also include environmental data gathering for surface and groundwater.

DISSENTING OPINIONS:

There was some disagreement among the public and Subtask Group members that infill-type development is preferable to greenfield development, though that is mostly centered around discussions about livability rather than municipal finances/economics. There was disagreement that the state needs to provide additional support and assistance in this area.

Local Issues Subtask Group

2 LOCAL ISSUES: RECOMMENDATIONS, EXPANDED

2A Gather Key Housing and Regulatory Throughput Metrics

RECOMMENDATION:

Encourage and facilitate the consistent, timely, and regular measurement of housing outcomes and regulatory throughput by permit-issuing jurisdictions. Task the Montana Board of Housing at the DOC to design an instrument to solicit information, distribute it to local jurisdictions with instruction for its use, and compile the information received into a tabular, publicly available report that can serve as a means of assessing trends in housing markets that impact affordability. It is envisioned that the process would be completed no less frequently than once per year, or eventually quarterly, if there were sufficient resources and interest.

Additionally, Montana jurisdictions should perform a more thorough assessment of the degree of local housing regulation every five years by using the survey instrument used to construct the national Wharton Residential Land Use Regulatory

Index. This has the advantage of being comparable to more than 1,500 communities nationally that took part in this project.

RATIONALE:

The ability to assess the state of housing markets across Montana, and to understand the basic functioning of the regulatory and approval process for development of new housing is hampered, if not rendered impossible, by the lack of solid information and data that can be used as a benchmark.

The highest priorities for information from permit-issuing jurisdictions within the state fall broadly into two categories:

- **Housing outcomes.** The broadest measure would be net housing production, e.g., number of units added net of destroyed each period, by housing type (single family, multi-unit).
 - **Regulatory throughput.** Measures of the demand for regulatory approvals, and the review and approval process are important if we are to understand the market conditions in each jurisdiction and to assess the trends that improve or worsen barriers to housing investment.
-

BARRIERS ADDRESSED:

The implementation of this recommended action would inform the decisions of:

- Developers who face uncertainty in the time needed to secure approval for projects.
 - Policy makers at the state and local level who need to assess the effectiveness of their efforts to make the regulatory process more responsive to the challenges of low housing supply and unaffordability.
-

KEY STRATEGIES:

A key step in the successful development of consistent measures of housing market outcomes and regulatory throughput is securing the participation of jurisdictions across the state. For this reason, it is desirable to make the costs of collecting the data as low as possible, and to focus on high-level, high-value measures.

It may also be desirable to start with a smaller set of measures that can be improved and expanded as the process becomes more familiar and as the value of the information becomes apparent. Create procedures and timelines to collect the data, identify contacts within each jurisdiction, and distribute. Then, collect data and compile into public reports for display.



Formulate key metrics, in addition to net housing production, such as:

- Length of review time for residential projects.
- Elapsed time between application for zoning variance and issuance of building permit (by type of structure).
- Elapsed time between application for subdivision review and issuance of building permit (e.g., assuming proper zoning in place).
- Number of zoning change applications.
- Number of zoning change approvals.

DISSENTING OPINIONS:

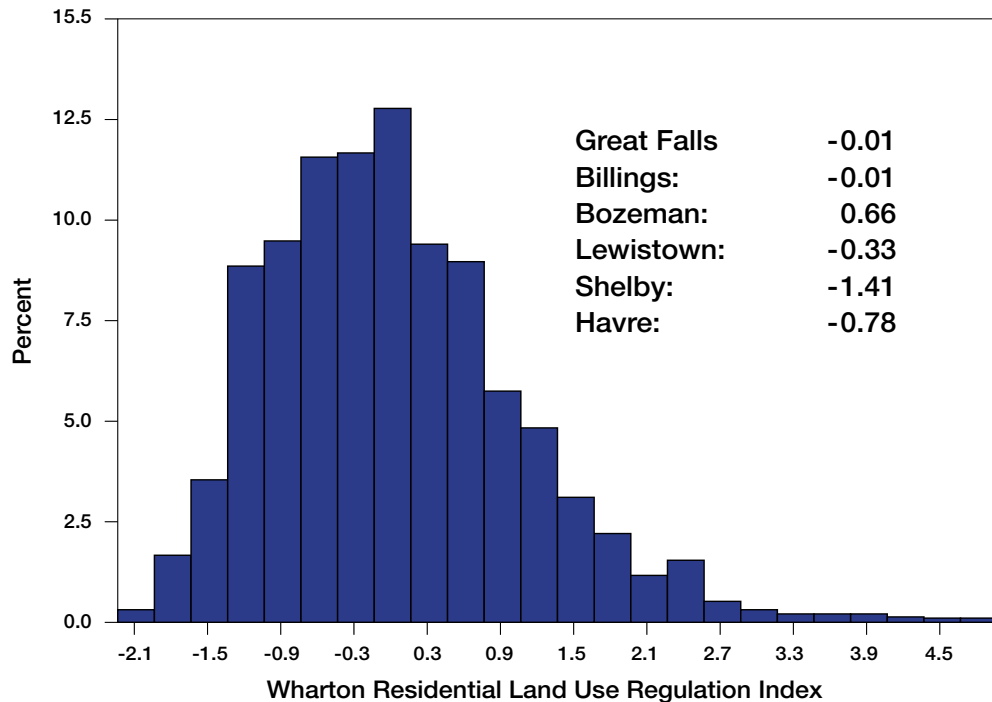
There was no opposition to the recommendations, but there was some question about how the data would be used. One concern was that there would be no context for the information and so it would be hard to interpret. There was also some concern that the reasons that might explain the data (e.g., permit delays or denials) were not part of what was collected.

Commenters questioned the DOC's ability to collect additional data given current staff and resource constraints. It was suggested the state provide baseline housing metrics while communities provide local housing and regulatory metrics. Other state agencies and/or non-government organizations may also be considered for this support.

SUPPORTING GRAPHICS:

Wharton Residential Land Use Index Example

Montana Select Community Regulation Index for Display Purposes



Source: Joseph Gyourko, Albert Saiz, and Anita A. Summers "A New Measurement of Local Regulatory Environment for Housing Markets" *Urban Studies*, 2008

<https://realestate.wharton.upenn.edu/wp-content/uploads/2017/03/558.pdf>

2B Identify and Modify State Laws to Expedite Administrative Tasks

RECOMMENDATION:

Identify and modify portions of state code that limit the ability of local jurisdictions to streamline or expedite routine administrative tasks that add unnecessary delay to building projects. More broadly, modifying the definitions and requirements of state code in ways that allows, but does not require, actions which implement, rather than make or modify, policy should not require approval by elected officials in most instances.

RATIONALE:

There is considerable variety in the administrative capacity and meeting frequency of locally-elected bodies in Montana. In some faster growing parts of the state, getting on the dockets of city councils is a challenge. Thus, the relaxing of statute requirements that may require such approvals could provide a measure of savings in time spent in the review process.

BARRIERS ADDRESSED:

This recommendation addresses the delays and uncertainties in carrying out the residential development projects that could add to housing supply and accommodate demand with less pressure on prices.

KEY STRATEGIES:

Develop criteria for defining what is “routine” and what merits scrutiny by elected bodies. This could be done by convening a group of planning and development specialists from the private and public sector. Identify and prioritize clauses in state code with the greatest impact on delays. Make specific recommendations to legislature for changes to accomplish the task.

DISSENTING OPINIONS:

It was stated that bottlenecks for approvals is not a reality that requires any action such as what is contemplated here. Other comments (which were actually in support of the recommendation) said that rules changes that allow local jurisdictions to pursue streamlined processes if desired was more preferable than mandates.

2C Formulate a List of Best Practices for Municipalities

RECOMMENDATION:

Formulate a list of practices that local jurisdictions could implement to reduce the costs of development and increase the supply of housing.

RATIONALE:

The trend towards lower housing affordability in most Montana communities that has brought about the creation of the Task Force can only be tamed by action on the part of state and local players in both government and industry. Not all local jurisdictions have the same experience and awareness concerning policies and actions that can affect the costs of development and the supply of new housing that can materially affect the availability and affordability of housing. Thus, a set of recommendations for best practices is of value.

As each local jurisdiction considers its options, it is useful to have a menu of concrete actions that have support in both research and the experience of other communities to consider.

BARRIERS ADDRESSED:

The need to increase affordable and attainable housing supply.

KEY STRATEGIES:

Formulate recommendations, vet and review with local officials as well as subject matter experts, then distribute to local jurisdictions and monitor its use. These may include the following:

- Reducing parking minimums.
 - Transitioning to form-based zoning that allows mixing of building types.
 - Relaxing height restrictions.
 - Reducing the number of dimensional requirements for buildings.
 - Emphasizing development in areas with high transit capacity.
 - Reducing the number of variances needed.
-

DISSENTING OPINIONS:

Some commenters stated that cities already had plenty of knowledge of their zoning and regulatory practices on the list.

2D Explore Ways to Increase Regulatory Capacity

RECOMMENDATION:

Explore ways to increase the capacity of regulatory agencies to consider, process, and review permits.

RATIONALE:

Reducing the time and steps of the permitting process will reduce costs to the applicant and stimulate development. Local governments should seek opportunities to remove inefficiencies from their development permit review processes. This can help increase capacity without requiring higher permit fees or greater levels of public funding.

BARRIERS ADDRESSED:

The lag time between submitting a permit to a regulatory agency to the time of response or approval by the agency can be long and drawn out. This adds more cost and risk to the applicant, which leads to fewer and more expensive housing units.

KEY STRATEGIES:**Elimination of duplicate reviews from state and local government agencies.**

- Most duplication that was discussed in the Subtask Group meetings was because of coordination issues between state agencies, local governments, and the applicant.

Shortening the response time by local government agencies.

- Local governments should review and reform their subdivision pre-application process. Local governments are required to establish a pre-application process for subdivision review. §76-3-504, Montana Code Annotated (MCA). The pre-application process must include a meeting between the applicant and the planning department before a preliminary plat application may be filed. The meeting must occur no more than 30 days from when the applicant requests the meeting. However, some local governments will require inappropriately detailed information that the applicant does not yet have so early in the process before they will schedule the meeting. This allows the local government to skirt the 30-day deadline by delaying the clock from starting.
- Local governments should review and reform their subdivision application element and sufficiency review processes. Before beginning review of a subdivision preliminary plat application, §76-3-604, MCA requires local governments to determine if an applicant has provided the required elements in their application and if the information provided for each element is sufficient for review to begin. There are statutory deadlines for element review (five working days) and sufficiency review (15 working days). It can take months to get through these processes because some planning departments will make multiple requests for new and inappropriately detailed information, and every time they do, the clock starts over.
- Local governments should speed up agency comment on development proposals by limiting the scope of comments to relevant issues, such as public health and safety. For example, planning department should not need to wait for the city parks department to weigh in on the applicant's choice of vegetation.

Adoption of “self-certification” programs for project compliance.

- These programs would allow individuals who have been trained and certified to conduct reviews and certify project compliance.
- There are opportunities for local governments to give applicants the option of allowing properly trained and certified individuals to perform certain reviews, particularly engineering and design reviews.
- This will mitigate review staff shortages and speed up the review process.
- Local governments should occasionally perform random audits of self-certified projects to ensure compliance.

DISSENTING OPINIONS:

There was concern that any shortening of the response time by agencies include adequate public review and input. Also, any adoption of “self-certification” for government review must ensure for processes and systems to penalize individuals found in violation of the guidelines.

2E Create Community Land Trusts (CLTs) for Affordable Housing

RECOMMENDATION:

Create CLTs that are non-profit organizations governed by a board of homeowners, community members and public representatives that provide lasting community assets and shared equity homeownership opportunities.

RATIONALE:

Across the country, CLTs have developed rural and urban agriculture projects, commercial spaces, affordable rental and cooperative housing projects, and conserve land or urban green spaces. However, the heart of their work is the creation of homes that remain permanently affordable, providing successful homeownership opportunities for generations of families earning 50-120% of Annual Median Income (AMI).

The Montana Housing’s Community Land Trust Mortgage Program provides purchase money loans secured by a leasehold estate on property owned by an CLT. Community Land Trusts were created to preserve long-term affordable homes by acquiring property then building and/or rehabbing existing homes to sell to qualified borrowers but retaining ownership of the land underneath the home using a long-term ground lease. By removing the cost of land associated with a home purchase, borrowers can purchase homes they can afford. Eligible CLTs must be non-profit



organizations or public entities, or state or local governments, counties, school districts, hospitals, universities or colleges.

BARRIERS ADDRESSED:

There are over 225 CLT organizations across the United States and many in communities across Montana. No two CLTs are exactly the same, making the CLT flexible to the community needs. This does take a very close relationship between the funding agencies, private stakeholders and the CLTs governing board.

Research by Grounded Solutions Network indicates that lack of subsidy funding, limited financing sources, complexity and reputation of the model are the main barriers to CLT growth.

KEY STRATEGIES:

Key strategies that were discussed include the following:

- Explore how to foster public/private coalitions in communities that will help meet that community's needs. Members of the public, lenders, private financial and land endowments, private/public land planners, public and private social service agencies, homebuilders and realtors are just a few examples of people to bring to the table.
 - Collect different CLT examples for guidance on how to setup and implement a CLT for a community.
 - Have a "brain trust" of individuals who are involved in CLTs to be available for questions and guidance.
 - Have financial models of CLTs that are currently in place for examples to implement. This could include how the property is taxed including or excluding the land, how to finance the construction and/or rehab of the residence and financial qualification of purchasers.
 - Local governments to inventory their land holdings for underutilized tracts suitable for CLTs.
-

DISSENTING OPINIONS:

There was no opposition to this recommendation.

Regulatory & Permitting Subtask Group

3 REGULATORY & PERMITTING: RECOMMENDATIONS, EXPANDED

3A Streamline the DEQ Permit Review Process

RECOMMENDATION:

Streamline the DEQ permit review process while maintaining protections for public and environmental health by:

- Reduce the quantity of projects requiring DEQ review, when review is not necessary to protect human health, the environment, or future owners of the property.
- Increase authority of and training opportunities for contracted counties.
- Improve consistency and quality of review and submittals across Montana.
- Support DEQ efforts to update Administrative Rules and Circulars.
- Expand DEQ local review contracting for water and sewer expansions beyond 50 connections.

Specific recommendations are provided in the **SUPPORTING GRAPHICS** section below.

RATIONALE:

Some counties and municipalities contract with DEQ to review subdivision applications, and others participate by doing site visits. Local reviewers are required to be certified by DEQ, after at least one year of reviewing applications under a trained, certified reviewer and passing a comprehensive test on the rules, serving as local extensions to the DEQ across Montana.

BARRIERS ADDRESSED:

Increasing the review authority of local jurisdictions can reduce duplicities and help expedite the review DEQ timeline without compromising consumer protections or environmental and public health outcomes.

KEY STRATEGIES:

Key strategies that were discussed include the following:

- Draft and introduce a bill to make the indicated changes to MCA.
- DEQ to review and implement administrative changes.

DISSENTING OPINIONS:

The Subtask Group heard from Task Force members concerned that these reforms conflict with the DOC proposed legislation to end licensure of Registered Sanitarians.

Commenters expressed concern for any changes to the existing land use approval process that would shift liability from state agencies to local government. Specifically, if those changes are a one-size-fits-all approach, that may create litigation for local government and impede housing development.

SUPPORTING GRAPHICS:

Recommendations to Streamline DEQ's Permit Review Process

Objective	Rule or Statute Update Needed	Recommendation
(1) Reduce quantity of projects requiring DEQ review.	Changes within: §76-4-102 (23) & §76-4-103, MCA	Increase number of mobile homes exempt from Sanitation Act on parcels > 20 acres.
(2) Increase authority of and training opportunities for contracted cities and counties.	Add language within: §76-4-114, MCA & ARM 17.36.116	Allow contracted counties to finalize their reviews and issue the approval statements with additional training and certification. Eliminates required 10-day review at DEQ. Maintain auditing process for quality assurance.
	None	Allow contracted cities and counties to review and approve Municipal Facility Exemptions (MFEs) in accordance with DEQ policy.
	Amend: §75-6- 121(1)(b), MCA	Increase the 50-connection maximum on delegated review of public water and sewer construction.
	Amend: §76-4- 127, MCA	Create separate (individual) municipal facilities exclusions for: (1) adequate water and sewer services; and (2) adequate storm water drainage.
(3) Improve consistency and quality of review & submittals across the state.	None	DEQ to provide more regular and thorough training to contracted county reviewers.
	None	DEQ to partner with contracted counties and cities to provide training for developers and consultants. Develop more user-friendly guides and manuals for applicants.
	None	DEQ to offer competitive pay to retain qualified and skilled reviewers.
(4) Support DEQ efforts to update Administrative Rules and Circulars.	Changes within: ARM 17.36.355	Simplify review criteria for existing wells to eliminate unnecessary waivers from current well construction requirements.
	None	DEQ to prioritize re-writing the Non-Degradation manual into a Circular. Use existing Subdivision Task Force members for support.

Source: *Montana Environmental Health Association, 2022*

3B Direct Legislative Loan Program Funds to Eligible Projects

RECOMMENDATION:

The 2019 Legislature passed HB 16, creating the Coal Trust Multifamily Loan program “to assist low-income and moderate-income persons with meeting their basic housing needs.” §17-6-30(6), MCA. The Legislature ordered the Montana Board of Housing to develop rulemaking to administer the program, which include criteria [located in Mont. Admin. R. 8.111.807] to consider when reviewing applications. To carry out the Legislature’s express goal of helping Montanans “with meeting their basic housing needs,” these limited funds should be targeted to projects located in jurisdictions that have proactively removed barriers to affordability in their zoning ordinances.

RATIONALE:

Montana’s supply of rental property is inadequate to meet demand, both at the market rate and subsidized rates for low-income Montanans. This recommendation meets the needs of both markets by creating opportunity for more subsidized housing, but only in areas where local governments are willing to address the zoning barriers currently limiting the supply of housing. If a city or county wishes to not participate in the type of zoning reforms proven to bring more housing supply to market, the Montana Board of Housing will not prioritize Coal Trust Multifamily Loans for that jurisdiction. Alternatively, if a city or county does enact zoning reforms proven to bring more housing supply to market, the Montana Board of Housing will prioritize Coal Trust Multifamily Loan applications for affordable housing developments in that jurisdiction.

BARRIERS ADDRESSED:

Overly restrictive zoning regulations make housing more expensive. This recommendation incentivizes jurisdictions to revise their zoning ordinances to allow more Montanans to meet their basic housing needs.

KEY STRATEGIES:

The DOC would amend Mont. Admin. R. 8.111.807 to ensure that Coal Trust Multifamily Loan awards are prioritized for cities, towns, and counties whose residentially-zoned areas are served by wet utilities and that have adopted three or more of the following policies:

- Allow single-unit residences, duplexes, triplexes, fourplexes by right (no conditional use permits, requirements for Planned Unit Developments, etc.).
- Allowable maximum density of 1,000 square feet of land (or less) per housing unit.
- Allow no less than a four-story height limit.
- Require no more than one parking spaces per unit.
- Require no more than five-foot setbacks.
- Require no more than 2,500 square foot minimum lot sizes.
- Require no more than 11% of the total square footage of land be used for landscaping, activity area or open space.
- Enable accessory dwelling units by right.

DISSENTING OPINIONS:

Commenters believed that local elected officials such as County Commissioners and City Council members are in the best position to make zoning decisions for their communities. These one-size-fit-all ideas and policies may work successfully in one community, while causing unacceptable and/or negative impacts in others. Furthermore, there are a variety of other zoning reforms not presented as recommendations that could result in additional housing development. These decisions should be discussed and considered locally by residents and their elected leaders.

In further support of local government control, commenters mentioned that at times, state legislation is unable to fully address the diverse needs of Montana. Additionally, it is common for legislation to have unanticipated consequences. Should there be unanticipated consequences, state lawmakers will not be able to make corrections until the next legislative session, which meets every other year. This could create new bottlenecks for development. However, local elected officials meet frequently and can address important matters where time is of the essence. Local communities elect their local leaders to be just that, leaders. Making top-down decisions from state government when it comes to local zoning may be an overreach.

Commenters believed it may be inappropriate to hold the Coal Trust Multifamily Loan awards hostage to a one-size-fits-all grant for local housing development. Additionally, new Legislative appropriations are required to fully fund the program that will increase loan activity.



3C Update Occupational Licensing Rules for Relevant Housing Professions

RECOMMENDATION:

Update occupational licensing rules for professions involved in housing production.

RATIONALE:

Difficulty in hiring engineers, drillers, plumbers, architects, etc., has contributed to slower timelines for housing construction. Occupational licensing boards across the United States are increasingly moving towards universal licensing and use of “equivalent standards” to address this problem.

BARRIERS ADDRESSED:

Overly restrictive licensure rules and timelines that limit the housing construction workforce without meaningfully contributing to quality and safety.

KEY STRATEGIES:

Support the Department of Labor (DLI) examination of its occupational licensing rules for professions involved in housing construction.

DISSENTING OPINIONS:

Commenters advised caution with this recommendation. Although “equivalent standards” appears to make sense to address licensed professionals, there may be education or apprenticeship deficiencies. Oversight of licensees from other administrative organizations ought to be supervised by a Montana licensed professional for a time period.

Additionally, Task Force members agreed that licensing changes should not compromise the safety of structures.

3D Update State Building Codes to Optimize Affordability

RECOMMENDATION:

Make regulatory updates to the state building codes, in concert with the DLI’s Building Codes Council (Council), for the purpose of increasing housing affordability.

RATIONALE:

New housing construction (and rehabilitation) must comply with the state building codes. The DLI, through the Council, makes updates to the code on a three-year cycle, but it can also allow for alternative compliance methods in the interim. The Council should ensure the state building codes do not unnecessarily increase construction costs or impose inefficient design standards.

BARRIERS ADDRESSED:

Overly restrictive design requirements in the state building code make housing construction more expensive and inefficient.

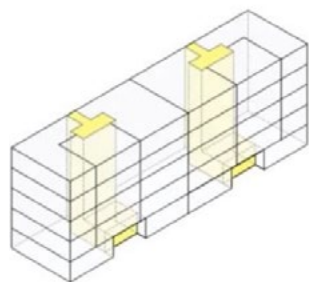
KEY STRATEGIES:

Key strategies that were discussed include the following:

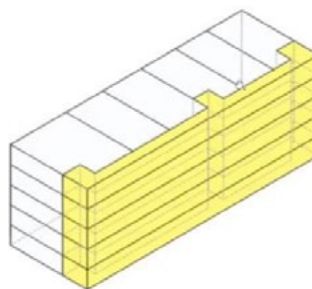
- Update state building code (IBC 1006.3.3) to allow for single-stair midrise (up to six story) apartment buildings, also known as point access blocks, that meet appropriate fire safety requirements. This type of building (permitted in Seattle, New York, and in most countries outside the United States) is less expensive to build, allows for a wider variety of floor plans and parcel sizes, and is more energy efficient. Montana's current code requires a second stairwell above three floors. See **SUPPORTING GRAPHICS** section below.
 - Shift to a 6-year review cycle to increase predictability and reduce frequency of retraining code inspectors.
-

DISSENTING OPINIONS:

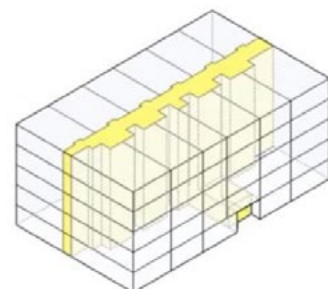
Commenters suggested that DLI may not be able to incorporate additional responsibilities into the Building Code Council's core duties. It was suggested that contracted services may be able to identify and recommend updates to the state building codes and/or alternative compliance methods that result in housing affordability. This may require special legislative funding.

SUPPORTING GRAPHICS:**Different Forms of Vertical Access**

Point Access Block



Single Loaded Corridor



Double Loaded Corridor

Source: *Larch Lab*

3E Inventory of Underutilized State-owned Lands

RECOMMENDATION:

State agencies should inventory underutilized state-owned land in urban areas that may be appropriate for housing. Lands in this context do not include State Trust Land, Department of Fish, Wildlife & Parks lands, federally-managed public lands, etc.

Subtask Group members also separately recommend looking at brownfields and State Trust Land (for example, the state-leased land, north of Kalispell, which is utilized for commercial development) and explore opportunities for housing.

RATIONALE:

Improved use of state-owned parcels could help contribute to the housing supply in high-demand areas.

BARRIERS ADDRESSED:

Lack of well-located land can be a barrier to housing production in some Montana cities.

KEY STRATEGIES:

Direct state agencies to inventory underutilized state-owned land in urban areas that could be better utilized for housing.

DISSENTING OPINIONS:

Subtask Group members pointed out constitutional requirements with state-owned land may limit the ability to develop these parcels.

3F Streamline the Montana Emergency Rental Assistance Application Process

RECOMMENDATION:

The DOC uses the American Rescue Plan Act funds to administer rent and utility assistance to Montanans with household incomes less than 80% of AMI experiencing financial hardship because of the pandemic. This assistance is available until at least September 2025. However, in Montana, program utilization is lagging behind other states, resulting in millions of dollars left unused and returned to the federal government. To maximize this program's efficacy, the DOC should streamline, to the greatest extent possible, the application process for this federal funding.



RATIONALE:

Improved program utilization will help ensure families can access needed financial assistance and avoid housing instability.

BARRIERS ADDRESSED:

Cumbersome bureaucracy can deter people who need assistance from receiving that assistance.

KEY STRATEGIES:

- Applicants are currently reporting wait times of three to four months before receiving aid. The DOC should prioritize more efficient processing of applications to reduce this delay.
 - Applicants are currently required to show they are past due on rent (or an eviction notice) in order to show they are “at risk of homelessness or housing instability.” Federal rules give flexibility to states to also accept evidence of “unsafe living conditions, or other evidence” to satisfy this “at risk” requirement. The DOC should give flexibility to applicants when providing evidence to satisfy the “at risk” requirement to prevent incentivizing non-payment, or late payment, of rent.
 - Federal rules for the program explicitly allows renters to self-certify that they meet most eligibility criteria, including COVID-related hardships, income, housing stability, and the amount of back rent owed. For example, the state of Utah uses a detailed self-declaration form for applicants to calculate and declare their annual income. The DOC should use this flexibility to maximize program impact by allowing self-attestation and not imposing unnecessary documentation burdens on applicants and landlords.
 - Federal rules explicitly allow programs to make payments directly to the tenant in as few as 10-calendar days if landlords do not assist with documentation. The DOC should provide rental assistance payments directly to tenants whose landlords cannot be reached or explicitly refuse to participate.
-

DISSENTING OPINIONS:

Commenters affirmed the need for rigorous documentation to protect against fraud. Additionally, it was noted that Montana’s return of federal aid was due to the federal program award formula that overestimated Montana’s funding needs its for eligible population.

Construction Subtask Group

4 CONSTRUCTION: RECOMMENDATIONS, EXPANDED

4A Expand Investment in Workforce Development

RECOMMENDATION:

There is a shortage of labor, including skilled labor. Montana must overcome this deficiency. Specifically:

- Montana has to attract and retain a qualified workforce in order to make progress in developing a new inventory of housing.
- Improve and expand educational opportunities; it is critical to position the building trades as a viable career path.
- Encourage and facilitate collaborative leadership; public/private partnerships working toward this common goal of workforce readiness.
- Identify the funding sources required and commit the investment necessary to execute this program and achieve results.

RATIONALE:

Montana needs a skilled workforce now and into the future. Montana needs more people available and trained to work. The construction industry is lacking the labor pool necessary to fill the demand. If there is not a workforce to carry out new construction, then it doesn't matter what cost savings are realized, what efficiencies can be achieved, or what new funding sources can be accessed. Until that part of the equation can be solved, the rest is secondary.

There are many examples of housing development using out-of-state labor and contractors.

BARRIERS ADDRESSED:

To pursue and achieve this recommendation, no state or local laws/ordinances/policies pose a barrier or would inhibit progress in this area.

KEY STRATEGIES:

Emphasize and focus on education is the key. Encourage and develop greater educational opportunities targeted at "trades".



Short-term Goals:

Recognize, support and promote the educational or vocational programs that already exist; those programs that are functioning now and working to build a larger pool of construction workers.

- Include and broaden private industry efforts such as:
 - o “Build Montana” by the Montana Contractors Association; Build Montana program secured a grant for this advocacy; working on steps to help teachers of the trades; have recruited sponsors and partners from the private sector;
 - o Boeing sponsors an “awareness” program targeting students K-12; long-term vision; and
 - o Plum Creek sponsors workforce training programs in the Flathead Valley.
- Nonprofit efforts, such as:
 - o “Accelerate Montana” is a non-profit entity that serves as an example of how effective this type of initiative could be: 16 service providers across Montana, course study available on-line; 2,000 students projected by end of 2023;
 - o Gallatin College is realizing good results with their enrollment in this curriculum; and
 - o The Home Builders Institute is a possibility for public/private partnership programs.

There is a need to position the building trades as a viable career path.

- Recognized need to begin the exposure and introduction earlier in the educational process.
- Recruit and target participation from teachers, coaches, counselors, mentors.
- Target parents, they have a role and responsibility too. Get parents engaged.
- Clear evidence these efforts at the middle school and high school level are effective and successful; high school vocational training and home construction programs are underway now; Hellgate, Glacier, Glasgow to name just a few.

There is a need for collaborative leadership to mobilize and coordinate amongst interested parties. Leadership is the key!

- Pursue public/private partnerships and interaction amongst involved parties; private sector companies and/or associations working with state officials, local officials and municipalities; and expand outreach to inspire others and to include others.
- Montana DLI / U.S. Department of Labor.
- Montana DOC.
- Labor unions.
- Trade schools, vo-tech colleges, local school districts and the Montana university system.
- Devote unified attention to secure the approvals and funding necessary to execute.

Long-term Goals:

Involve and energize the vo-tech schools, community colleges, Montana university system, and the Board of Regents to assume a proactive role in the promotion and financial support to deliver greater educational opportunities targeted at “trades”.

- Improve and expand educational programs at the middle school and high school level.
- Introduce vo-tech schools as an option to students much earlier in the process, perhaps in the 6th grade.
- Increase the role and emphasis from the Board of Regents and the Montana university system:
 - o Enrollment and marketing support; recruiters;
 - o Curriculum support for middle schools and high schools;
 - o Financial support; and
 - o Secure strong statements of support for the allocation of funding for these purposes. There is evidence of future success if Montana can allocate resources and get behind this initiative in a meaningful way.

DISSENTING OPINIONS:

In stating this recommendation (and the steps and strategies outlined), the Subtask Group did not receive any opposing comments or dissenting opinions during the public comment periods. However, members of the Subtask Group disagree that

obstacles are present (or may emerge) in the form of “apathy”. There are many that will not have an opinion one way or the other, so from such people, we would not expect an outcry of support, simply disinterest.

Furthermore, in our personal and professional experiences, we have encountered opinions/attitudes within our communities that suggest not everyone will jump on board and be enthused about the goal. There are those that wish not to get involved or engaged for whatever reason. Some are simply not concerned or impacted by the subject matter, while others may be fearful of a successful result/outcome (e.g., some people are not pro-development, they oppose growth and development within their neighborhoods).

SUPPORTING GRAPHICS:

Attached are graphics featuring the “Build Montana” program from the Montana Contractors’ Association, as well as promotional materials utilized by the Home Builders Institute.



BUILD YOUR FUTURE

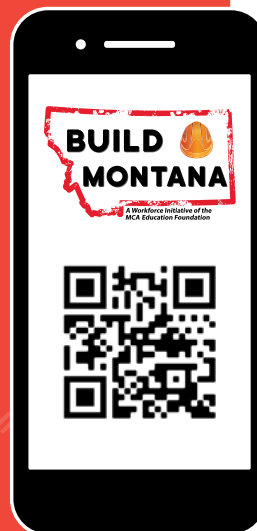
CHOOSE A CAREER IN CONSTRUCTION!



THROUGH BUILD MONTANA, you can explore Montana construction career opportunities and receive access to training, funding, and job placement resources.

**OPPORTUNITY
IS OUT THERE,
AND YOUR
TALENTS ARE
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HBI PACT'S BENEFITS:

- ▶ Industry-recognized and validated credentials
- ▶ Curriculum approved by the U.S. Department of Labor
- ▶ Instructor training and certification provided
- ▶ 75% hands on, competency-based curriculum
- ▶ Spanish translation available
- ▶ Access to CTEtechWorks, HBI's Learning Management System (LMS), a web-based platform of training tools and content developed to assist the instructor and student with the curriculum
- ▶ Connections to local industry through our affiliation and partnership with the National Association of Home Builders (NAHB) and its 700 local and state associations

PRE-APPRENTICESHIP CERTIFICATE TRAINING (PACT)

PACT Core Training:

- Unit 1:** Introduction to the Building Trades
- Unit 2:** Construction Math
- Unit 3:** Tool Identification & Construction Materials
- Unit 4:** Employability Skills
- Unit 5:** Green Building (optional)

Trade specific training. Choose from 9 trades:

- Unit 6:** Carpentry
- Unit 7:** Electrical
- Unit 8:** Plumbing
- Unit 9:** Brick Masonry
- Unit 10:** Landscaping
- Unit 11:** Painting & Finishing
- Unit 12:** Building Construction Technology
- Unit 13:** Weatherization
- Unit 14:** Heating, Ventilation & Air Conditioning

PACT CURRICULUM IS IDEALLY SUITED FOR:

Secondary Schools
Postsecondary Schools
Non-Profit Organizations
YouthBuild Programs
Charter Schools
Vocational and Technical Schools
Adult & Community Education Programs
Summer Engagement and After-School Programs
Home Builders Associations
Housing Development Construction and Management Non-Profits
Disaster Relief Organizations
Veteran Organizations



For more information, please contact:
HBI Industry & Academic Partnerships Team
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www.HBI.org
Phone: 202-371-0600
E-mail: contacthbi@hbi.org





Home Builders Institute (HBI) is a national leader in career training for the building industry and dedicated to providing employers with the next generation of skilled workers. Our graduates are trained and certified in various construction trades and are available for hire now. Contact us to see how we can help you meet your labor needs.



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HBI partners with the National Association of Home Builders (NAHB), its 140,000 members, and more than 700 state and local Home Builders Associations (HBAs) and NAHB student chapters across the country.



BOOST YOUR VOCATIONAL CLASSES WITH PACT

- ▶ 75% hands on, competency-based, industry-validated curriculum
- ▶ Aligned with STEM (Science, Technology, Engineering and Mathematics)
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- ▶ Spanish translation available

GET THE RESOURCES YOU NEED TO DELIVER PACT

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- ▶ Industry-recognized certifications for students
- ▶ 9 Trade Specific Disciplines, Plus Core: Carpentry, Electrical, Plumbing, Brick Masonry, Landscaping, Painting & Finishing, Building Construction Technology, Weatherization, and HVAC
- ▶ Access to HBI's Learning Management System (LMS), a web-based platform of training tools and content to assist the instructor and student with the curriculum

ADVANCED CURRICULUM OPTION AVAILABLE!

As an added benefit, get access to HBI's Residential Construction Academy (RCA) **Textbook Series**. Published by Cengage Learning, the RCA establishes a direct link from education to the construction industry, based on the foundation of HBI/NAHB National Skill Standards for residential construction.

The RCA provides learning tools and certification testing at 3 proficiency levels: entry, semi-skilled, and skilled in 8 trade disciplines: Carpentry, Electrical Wiring, HVAC, Facilities Maintenance, Plumbing, Masonry and Basic Principles for Construction.



For more information, please contact:
HBI Industry & Academic Partnerships Team
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The Home Builders Institute (HBI) is the nation's leading resource for career technical education in the building industry. We provide training programs in construction trade at HBI sites throughout the country. Sign up for training and get the skills and experience you need for a career in residential construction.

- ▶ Over 35 HBI sites located in 13 states, Washington D.C., and Puerto Rico
- ▶ Learn a technical skill in construction trade
- ▶ Get hands-on training and one-on-one time instruction from tradespeople
- ▶ Utilize tools and Personal Protective Equipment (PPE) to practice real-life scenarios
- ▶ Earn pre-apprenticeship certificate in the trade of study and/or OSHA 10-Hour Construction Training
- ▶ Access job placement services, mentoring, certification programs, and/or online learning



OUR PROGRAMS BUILD CHARACTER AND SELF-ESTEEM, HELPING PARTICIPANTS DEVELOP WHAT THEY NEED TO SUCCEED ON THE JOB AND IN LIFE. HBI CHANGES LIVES EVERY DAY.

Choose Training in Various Trades

- ▶ BCT (Building Construction Technology)
- ▶ Brick Masonry
- ▶ Carpentry
- ▶ Electrical
- ▶ HVAC (Heating, Ventilation, and Air Conditioning)
- ▶ Landscaping
- ▶ Painting
- ▶ Plumbing

All HBI training is grounded in the Industry's National Construction Skills Standards and the American National Standards Institute (ANSI)-approved National Green Building Standard™ and taught by experienced instructors through HBI's Residential Construction Academy Series textbooks and instructional aides.

CONTACT INFORMATION FOR HBI TRAINING

For non-military persons interested in learning more, please contact:

Jerry Monroe
Associate Vice President of
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Phone number: 202-317-0710
E-mail: jerry.monroe@hbi.org



For military persons interested in learning more, please contact:

Ricky Lewis
Operations Manager
HBI
Phone: 904-570-1222
E-mail: lewisl@hbi.org



**Interested in more opportunities outside
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supportive services to meet your needs in joining
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4B Encourage Innovative Methods in Home Construction

RECOMMENDATION:

Across a wide range of construction practices, the opportunity for “innovation” has been actively explored in recent years. In many instances, these innovative methods are producing sizeable gains and efficiencies in the cost of construction, the quality of construction and/or the overall construction timeline. From the perspective of state and local officials, as well as private contractor/developers, we need to be prepared to quickly evaluate and adopt these innovative methods where warranted.

RATIONALE:

There are benefits, advantages, and efficiencies to be gained in the construction industry by embracing innovative methods. That is, as compared to standard and traditional building practices, there are modern technologies, materials, techniques and building systems/practices that can often be applied for a more efficient result (in terms of time, cost and/or quality).

BARRIERS ADDRESSED:

To pursue and achieve this recommendation, it is quite likely that certain and select regulatory guidance/requirements will become a barrier to implementation. State government and/or local municipalities may currently observe certain building codes or specifications that are outdated and/or must be modified to accommodate and adopt these innovative methods.

KEY STRATEGIES:

Initiate and pursue a community-based review of innovative concepts.

- The local jurisdiction must have the ability (and motivation) to fairly evaluate and adopt these systems.
- State and local jurisdictions to review permitting requirements and building codes that may unnecessarily hinder or discourage opportunities to adopt and apply innovative methods.

Inspections and approvals available for “off-site” construction methods (e.g., panelization).

- Approvals of off-site construction methods that can increase the pace of construction.
- 3-D construction technology and methods; ability to review and adopt expeditiously.



Adopt or revise zoning regulations to accommodate the “small home” design concepts.

- Innovative designs and materials are being used to build small homes, achieving efficiencies and affordability.
- Boxable Homes is one such example of a new and innovative home product that is now available in the market.

Critical review and assessment of materials and procedures required by local jurisdictions.

- Materials specified for usage and/or the level of material required: are there other more cost-effective options or alternatives? Can we live with a more affordable approach? (e.g., specified siding and exterior finishes, flooring, parking structures, landscaping, etc.).

Linkage between the best practices of a local community and achieving a certain amount of consistency and commonality.

- Need to encourage uniformity and consistency in communities to establish a common platform.
- Educate local representatives to better understand their range of options for new methods to help achieve greater affordability; understand the policies that can be enacted/adopted.

DISSENTING OPINIONS:

In stating this recommendation (and the steps and strategies outlined), the Subtask Group did not receive any opposing comments or dissenting opinions during the public comment periods. However, members of the Subtask Group have expressed concern the actual implementation of the strategies recommended above may potentially create concern or anxiety within the regulatory arena, in some instances. Building departments and planning departments must be willing and able to evaluate (and embrace) these new methods and opportunities; there may be some resistance to putting the “traditional” way of doing business at risk.

Commenters mentioned that many federal regulations exist that also impact housing development. Specifically, renovations of existing commercial structures face compliance with public health standards for lead-based paint, asbestos, and solid waste disposal. Additionally, there are environmental standard protections for surface and ground water, wetlands and endangered species.

Although federal regulations for housing and building codes were enacted to prevent disease and unhealthful living conditions, excessive and outdated regulations unduly constrain development. For example, some commercial structures subject to federal oversight retain that status into perpetuity, regardless of redevelopment into a residential use.

Montana must involve its congressional delegation to address select federal regulations that remain obstacles to housing development in the state.

SUPPORTING GRAPHICS:



Source: *Internet Stock Photo*



Source: *Internet Stock Photo*



Source: *Internet Stock Photo*



Source: *Internet Stock Photo*

4C Maximize Infrastructure Investment and Infill Opportunities

RECOMMENDATION:

Pursue opportunities to bring the financial resources and wherewithal of government entities into the construction process; create a platform of shared responsibility for the advancement of an affordable housing inventory and the infrastructure necessary to facilitate that process.

RATIONALE:

There is a need for greater investment in the build-out of community infrastructure, such as water and sewer systems, roadways, utility connections, traffic control, parks and public access, etc. Further, finding a land parcel suitable for development is now at a premium, the cost and/or availability is a challenge. When developers are required or expected to bear the brunt of these infrastructure costs, then those costs will be passed along and reflected in the overall cost of the development and cost to the consumer.

If the goal is to create and promote more workforce housing to serve the community, then state and local government entities share a common interest with the developer(s) of such projects to achieve and realize a more reasonable and equitable cost structure. By working together, these parties can identify opportunities to save costs and/or more fairly allocate and share costs.

BARRIERS ADDRESSED:

To pursue and achieve this recommendation, it is quite likely that certain state statutes or local ordinances may require review and revision. In select cases, there may be limited ability for a government entity to collaborate with private developers and/or to provide price reductions or cost sharing. For a collaborative arrangement to exist, there may be a need and expectation to issue a request for proposal. This is a process that could undermine the initiative of private parties in planning a housing development.

The legal pathway and method of interaction amongst public and private participants must be more fully vetted; the ability to break down walls of separation will serve to establish a more free-flowing, creative and expedient process for further development and construction.

KEY STRATEGIES:

Local Inventory needs to be conducted, create a mapping of needs/resources that can be a guide to communities and developers alike.

- This tool would help to identify where the needs are, and what resources may be available locally.
- What do we know about where the need exists? Community assessment of such needs?
- Where is increased infrastructure capacity needed and what type of infrastructure?

Fund an inventory survey or study to identify infill or unused properties.

- Determine what's available in any given community.
- Would financial help with "cost" make a difference to the community?
- Allocation and award of grant funding to promote this type of long-range planning.

Add or elevate a criteria to consider the rehabilitation of historic buildings and existing older homes to convert into housing that is targeted to the workforce population (not necessarily limited to low-income).

- Workforce vs. low-income: need consistent use of these terms following DOC's definitions.
- Within the overall workforce, what is the level of those that qualify as low income? Percentage?

- DOC identified a need for 18,500+ of rental homes for extremely low-income renter households.

Property taxes are a serious detriment to achieving affordable housing in some areas.

- Depending on the locale, property tax assessments can be a serious impediment to the planning and launch of a housing project.
- Non-profit entities can apply for property tax exemption, but are there other avenues that could be beneficial to for-profit developers that confront this same challenge?

DISSENTING OPINIONS:

In stating this recommendation (and the responsibilities described), the Subtask Group did not receive any opposing comments or dissenting opinions during the public comment periods. However, as summarized above in the **BARRIERS ADDRESSED** section, members of the Subtask Group are cognizant that certain limits could pose an obstacle in achieving the desired interaction amongst interested parties. Accordingly, in the context and spirit of collaboration, if we are to realize success in bringing the resources of state/local jurisdictions into play, then the manner in which they contribute to a given project must be carefully considered.

SUPPORTING GRAPHICS:



Source: *Google Street View Image*



Source: *Internet Stock Photo*





LIST OF TASK FORCE MEMBERS

Task Force Members and Affiliations

NAME	AFFILIATION
Chris Dorrington	Task Force Chair and Director of the Department of Environmental Quality
Senator Ellie Boldman	State Legislator (D, Missoula)
Senator Greg Hertz	State Legislator (R, Polson)
Representative Danny Tenenbaum	State Legislator (D, Missoula)
Representative Sue Vinton	State Legislator (R, Billings)
Patrick Barkey, Ph.D.	Director of the Bureau of Business and Economic Research at the University of Montana
Terry Brockie	CEO of Island Mountain Development Group
Ross Butcher	Commissioner of Fergus County



Kendall Cotton	President and CEO of the Frontier Institute
Nathan Dugan	President and Co-founder of Shelter WF
Mark Egge	Affordable housing advocate, data scientist, and former member of the Bozeman Planning Board
Laurie Esau	Commissioner of the Department of Labor & Industry
Jaclyn Giop	President of the Montana Water Well Drillers Association
Eugene Graf	Owner of E.G. Construction
Emily Hamilton, Ph.D.	Senior Research Fellow and Director of the Urbanity Project at the Mercatus Center
Adam Hertz	Secretary of the Montana Board of Housing
Amanda Kaster	Director of the Department of Natural Resources and Conservation
Joe McKenney	Great Falls City Council
Jacob Kuntz	Executive Director of the Helena Area Habitat for Humanity
Bill Leininger	President of the Montana Association of Realtors
Todd O'Hair	President and CEO of the Montana Chamber of Commerce
Scott Osterman	Director of the Department of Commerce
Nicole Rolf	Senior Director of Governmental Affairs at the Montana Farm Bureau Federation
Mike Smith	Market President of Glacier Bank
Valerie Stacey	Environmental Health Specialist with Lewis and Clark County
Don Sterhan	Steering committee member of the Montana Housing Coalition; President and CEO of Mountain Plains Equity Group





Subtask Group Co-Leads

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REGULATORY & PERMITTING

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APPENDICES

Appendix A: Additional Issues, Changes and Suggestions by Subtask Group

A1	ECONOMICS & OTHER: ADDITIONAL ISSUES, CHANGES AND SUGGESTIONS
A1a	Establish Tax Increment Local Transfer Programs (TILTs).
A1b	Establish Transfer of Development Rights Programs (TDRs).
A1c	Establish community land trusts and/or housing authorities to have a mechanism to provide/manage deed-restricted affordable housing.
A1d	Partner with state universities to establish Planning Accreditation Board (PAB)-accredited planning programs to source/develop local planning talent.
A1e	Increased grant scores/priority for infrastructure projects using state funds tied to zoning reform.
A1f	Tie housing subsidies/tax credits/grants to mixed-use development.



A1g	State-funded innovation grants for unique financing models and/or lower-cost building methods.
A1h	Expand down payment assistance programs through Montana Housing / DOC - offset mortgage interest rate increases.
A1i	State-funded seed money to develop programs across the state that allow renters to build equity (example: Utah Perpetual Housing Fund).

A2 LOCAL ISSUES: ADDITIONAL ISSUES, CHANGES AND SUGGESTIONS

None identified.

A3 REGULATORY & PERMITTING: ADDITIONAL ISSUES, CHANGES AND SUGGESTIONS

None identified.

A4 CONSTRUCTION: ADDITIONAL ISSUES, CHANGES & SUGGESTIONS

None identified.

Appendix B: Resources and Information by Subtask Group

Information links provided are for discussion purposes and should be verified before use.

B1	ECONOMICS & OTHER: RESOURCES AND INFORMATION
B1a	Community growth article: The YIMBYest City in America discoursemagazine.com/politics/2022/05/18/the-yimbyest-city-in-america
B1b	Cost of development article: Yes, Red Tape and Fees do Raise The Price of Housing sightline.org/2017/07/24/yes-red-tape-and-fees-do-raise-the-price-of-housing
B1c	Housing development article: Strategies for Accelerating Housing Development in Portland portlandoregon.gov/cbo/article/641311
B1d	State-funded seed money to develop programs across the state that allow renters to build equity Example: Utah Perpetual Housing Fund perpetualhousing.org
B1e	Expand down payment assistance programs through Montana Housing/DOC Offset Mortgage Interest Rate Increases housing.mt.gov/Homeownership/Homebuyers/Down-Payment-Assistance
B1f	Partner with state universities to establish PAB-accredited planning program Source/develop Local Planning Talent planningaccreditationboard.org
B1g	Establish community land trusts and/or housing authorities Have a Mechanism to Provide/manage Deed-restricted Affordable Housing nwmtclt.org groundedsolutions.org/strengthening-neighborhoods/community-land-trusts



B1h Establish Transfer of Development Rights Programs (TDRs)

njaes.rutgers.edu/highlands/transfer-development-rights.php

mdt.mt.gov/research/toolkit/m1/ftools/dei/tdr.aspx

localhousingsolutions.org/housing-policy-library/transfers-of-development-rights

B1i Establish Tax Increment Local Transfer Programs (TILTs)

slideshare.net/EdwardSegalCAE/new-lobbying-tool-could-tilt-property-owners-in-favor-of-housing-development

B1j The Community Technical Assistance Program (CTAP)

comdev.mt.gov/Programs-and-Boards/Community-Technical-Assistance-Program

B1k Montana Association of Counties (MACo)

mtcounties.org

B1l Montana League of Cities and Towns (League)

mtleague.org

**B2 LOCAL ISSUES:
RESOURCES AND INFORMATION**

B2a Montana Cadastral Data and Documentation

Information About Public and Private Land Ownership in Montana

msl.mt.gov/geoinfo/msdi/cadastral

B2b Wharton Residential Land Use Regulators Index

University of Pennsylvania, Real Estate Center Article

realestate.wharton.upenn.edu/working-papers/a-new-measure-of-the-local-regulatory-environment-for-housing-markets-the-wharton-residential-land-use-regulatory-index

B2c Community Land Trusts (CLTs)

Method to Separate Land and Building Ownership

trustmontana.org



B2d Montana Housing's Community Land Trust Mortgage Program

housing.mt.gov/Homeownership/Lenders/Community-Land-Trust

B2e Regulatory Utilization: A Novel Measure of Public Land Use Controls

Calculable from Open-Source Data

vtechworks.lib.vt.edu/bitstream/handle/10919/110404/Gordner_GM_T_2022.pdf

**B3 REGULATORY & PERMITTING:
RESOURCES AND INFORMATION**

B3a Montana Housing Website

Targeted Housing and Assistance Programs

housing.mt.gov

B3b Multifamily Coal Trust Homes Program (CTHP) Multifamily Rental

Permanent Loan Program Highlights

housing.mt.gov/_shared/Multifamily/docs/MFCoalTrustProgram1.pdf

B3c Montana Emergency Rental Assistance Program

Homeownership Assistance Fund and MT Emergency Rental Assistance

housing.mt.gov/Rental-Assistance/Montana-Emergency-Rental-Assistance-Program

B3d American Rescue Plan Act (ARPA)

Federal Emergency Grants due to COVID-19

whitehouse.gov/american-rescue-plan/

**B4 CONSTRUCTION:
RESOURCES AND INFORMATION**

B4a Boxable Homes

Panelized Construction Method

boxabl-homes.com/boxable-homes

B4b Panelized Construction

Innovative Building and Construction Techniques

forbes.com/sites/sherikoones/2019/04/05/panelized-construction-101/?sh=48fb9f711383



B4c Build Montana

Promotion of Construction Careers in Montana
build-montana.org

B4d Accelerate Montana

Accelerate Economic Potential Programs
acceleratemt.com

B4e National Multifamily Housing Council

Research Reports on Housing Demand, Cost, Construction, etc.
nmhc.org/research-insight/research-report/

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