



## **MONICA TRANEL'S**

# **Affordable and Accessible Housing Plan for Montanans**

**Read The Plan →**

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### THE PROBLEM

- Pyramid Mountain Lumber is closing.
- Sheriff deputies are living in campers.
- Teachers share rooms in houses.
- Seniors can't find nursing homes – they have nowhere to go.
- Families in trailer parks are being evicted from the only homes they've known.

Each of these stories is due to the lack of housing in our state that is affecting hard working Montanans everywhere.

Meanwhile, [nearly half](#) the houses in Granite and Madison county are vacant. Whitefish has at least 15% of its housing used as short-term rentals.

Montana's families are being priced out of Montana. The median price for a house in Gallatin County is [\\$725k](#), in Flathead County it's [\\$630k](#). That doesn't work when you're a teacher making [\\$35k a year](#). Our small business owners, lumber mills, and schools can't find employees and our workers – electricians, teachers, firefighters, nurses, carpenters, and sheriff deputies – can't find a place to live. Even when small businesses pay good wages and include insurance, and workers make good money - \$25/hour and up to \$80,000 a year – people either can't even find a place that is available, or what is available is unaffordable.

The growth that our state has experienced over the last few years is unprecedented. While city and county officials are grappling with implementing real solutions, working with public and private housing groups, our elected representatives in Helena and Washington have put the interests of wealthy out-of-state corporations and the profits of hedge funds first, while forcing working Montanans to pay the price.

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## THE PLAN

Having traveled tens of thousands of miles in my minivan, and connected with Montanans in all 16 counties of this western District and both Tribal Nations, the immediate issue we need to solve is housing. The [federal government](#) is deeply involved in housing finance along multiple dimensions. Taking the lessons from the people of western Montana with me, I will be a partner at the federal level to continue and scale the work that is happening now at the local and county levels, in both the public and private sectors:

- 1 Start with an **assessment** of the housing supply and demand;
- 2 Hold bad actors **accountable** where it is decreasing supply and increasing prices; and
- 3 Make building, renting, or owning a house more **affordable**.

To correct the high price of housing across western Montana, there must be a correct **assessment** of the problem. Any starting point recognizes the [ongoing](#) creative work in our communities to address the challenges we face in housing, infrastructure, fiscal policy, and disaster preparation. But our local communities need federal partners willing to address the problem with common sense solutions.

There is not a one-size fits-all solution to the housing crisis, but an important step is to hold bad actors **accountable**. We must crack down on out-of-state investors using houses to make money, rather than as a place for people to live in and call home. We see this in the increase of short-term rentals across Montana, private equity purchases of nursing homes and trailer parks, pushing out current residents and driving up prices; and the corporate purchases of Montana lands that end up closing off public access to public lands.

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To address **affordability** we need to loosen supply by ensuring that houses are treated as homes where people who live in a community go to sleep and eat and play, not as investment vehicles for foreign and out-of-state profiteers to turn a fast buck. On the other side, solutions include redefining area median income to allow local flexibility, allowing mortgage assumptions to offset high interest rates, fully funding existing programs that give rent relief and support first time homebuyers, and using tax credits to offset high land and labor costs so more housing can come online that can be attained by working families. In addition, the federal government should work with local and county governments to pursue common sense building regulations that address transport, infrastructure, and zoning.

In implementing a plan to address the housing crisis in Montana, I will bring people together to implement at scale the solutions that are working and find common threads in what is needed regionally. **In Congress, I will represent our home – Montana – and I plan to start by listening.**

**Let's get to work.**



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Candidate for Montana's 1st Congressional District

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### ASSESSMENT

#### Truly Understand The Problem

Good policy depends on good information. I have gathered information through listening to Montanans, including public and private interest groups, and those who have been marginalized. I commit to continuing listening, and will govern as I am campaigning, by listening first.

1. To start, we need to [update the data](#) on permitting for an accurate assessment of supply and demand. The U.S. Census Bureau should develop a uniform software tool for building permit data that would make the U.S. Census Bureau's Building Permit Survey (BPS) more reliable and consistent across the country. Local leaders need to know how changes in land-use reform are affecting the housing market and a unified database would help state and local governments identify which reforms are working and which are not.
2. We must also ensure that housing data is easily accessible and available for all private and public actors. In Madison and Granite counties, almost half of existing homes are [listed as vacant](#), meaning that they are seasonal homes that sit empty for most of the year, but are not listed for sale.

### ACCOUNTABILITY

#### Follow The Money

Houses must be treated as homes where people who live in a community go to sleep and eat and play, not as investment vehicles for foreign and out-of-state profiteers to turn a fast buck.

Out-of-state hedge funds, land speculators, and corporate landlords have made housing more expensive in Montana, and it's time we hold them accountable for their actions. Everyone needs to play by the rules, and be held accountable if they don't.



#### **Ban Hedge Funds from Buying Homes and Crack Down on Land Speculators and Foreign Investors**

We need to eliminate the incentives that push private equity firms into buying nursing homes and mobile home parks and sucking the money out of them or razing them to the ground and selling off lots at high prices.

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- a. Congress should structure our tax code to discourage corporate ownership of multiple homes or housing units that are held as investment vehicles rather than as homes for people who live and work in our communities. We must level the playing field for working people and make sure everyone plays by the rules.
- b. We also need to clamp down on foreign [adversaries](#) buying up farmland and water rights in Montana. This not only takes land away from prospective Montana land owners, but also increases concerns around our national security.

## 2

### Stop Corporate Landlords From Price Gouging Montanans

From hidden junk fees to collusion around when and how much to hike up rents, corporate landlords have gouged Montanans on rent for too long. These practices are pricing Montanans out of the communities they call home, and it's time we regulated this.

- a. Currently, it's too easy for corporate landlords to collude in setting high rents, whether by using algorithms that alters pricing unilaterally in a market, or by setting rent at levels designed to maximize profit driving up rent for everyone at the same time. By using an algorithm to set pricing, corporate landlords are able to create a monopoly environment, without creating the perception that there is monopoly. These algorithms collect real time market information, and offer suggestions to corporate landlords on when, and how to raise rents, based on other market information. Coordination of information regarding pricing and supply of housing needs to be addressed.
- b. Renters in Montana are also faced with increasing application fees. Not only are these fees opaque in what they are actually covering, they're constantly increasing with no obvious benefit. With the current market, renters are paying multiple application fees just to be told they aren't allowed to live somewhere. This adds up. Streamlining and lowering barriers to entry into housing is a necessary step.

## 3

### Protect Our Mobile Home Owners

People living in trailer parks from Columbia Falls to Bozeman are getting short notice eviction letters, meaning they have to move out of the place they've called home for years, or decades – with no time to figure out where they'll go, what will happen to their kids in school, and how their jobs will be affected. This is a result of private equity entities deciding they'll change the rules, without notice or participation from the people who live in these trailer parks, to make more money.

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- a. Trailers and other manufactured homes are an important piece of the housing picture that is critical to growing the supply of housing in our state. As the primary regulator of manufactured homes, the federal government is tasked with protecting mobile home owners. One small step is to remove the [permanent chassis requirement](#) for manufactured homes.
- b. Congress should also reduce regulatory barriers that limit the construction of new [manufactured homes](#).

## 4

### Care For Our Seniors

Our seniors in western Montana are telling me they have nowhere to go as they get older. They've spent their entire lives in a community and now they're forced to move, even out of state, because they either can't afford a bed in a nursing home, or there are none to be found. We need to make sure our elders remain in our communities, the place they call home, and the home that needs their wisdom and experience.

- a. One way we can do this is by requiring Medicare and Medicaid to provide adequate reimbursement for long term care. Our seniors have spent their lives paying into these programs, and we need to make sure they're able to use them for what they need.
- b. We also need to hold nursing homeowners accountable for quality. Any entities getting Medicare or Medicaid funding should be held to high standards of care for seniors to ensure that residents have high-quality and safe places to live.
- c. Congress needs to incentivize the building of more Senior Care homes through tax credits, community grants, and more.

## 5

### Take Stock– Own Our Past, Move Forward Together

In 1887, two years before Montana became a state, Congress passed the Dawes Act, that became the General Allotment Act, making much of Native American Tribal land that had been reserved to the tribes available for private ownership. Today, tribes are working to purchase the land within the boundaries of their reserved lands. The federal government can partner with the Tribes to facilitate this process. Recognizing, owning, and honoring our past will allow us to face the future together.

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### AFFORDABILITY

#### Loosen The Supply

We also need to address housing supply, and make sure that small businesses are able to hire workers who can afford to live in Montana. While we need to address this issue by paying our teachers and those who work in our communities a decent wage, we also need to recognize that for small businesses and lumber mills that are paying good wages, more needs to be done on the supply side.

We need to update our housing policy to align with 21st century reality. That means addressing price gouging and monopolistic behavior, creating incentives for our communities to build more housing, and prioritizing our seniors.



#### 1 Partner With Public And Private Groups Across All Government Levels

The federal government should work with local and county governments as well as small businesses and private investors to advance innovative ideas that are already helping to lower the cost of housing.

- a. **Community Land Trusts (CLTs)** - Whitefish, Missoula, and Bozeman have implemented community land trust programs where the land is owned by the city or county, and the house is owned by a resident. CLTs are good options where the land is a significant cost of building, as in Ravalli County, where a new lot is the same cost as building a house.
- b. **Remove the [State Volume Cap](#) for Private Activity Bonds** - Tax-exempt Private Activity Bonds (PABs) are an important financial tool that helps create more affordable housing. By capping these bonds, the federal government is limiting the supply of more housing. We can help spur more housing construction by exempting affordable housing from the state volume cap.
- c. **Zoning and Infrastructure** - One issue that the federal government can't solve is the zoning issues that exist in various municipalities, impacting their ability to build certain types of homes. We can, however, align current policies around transportation, water, sewer, and other infrastructure and investments with housing production to incentivize local communities to modernize their zoning regulations.

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- i. Allowing accessory Dwelling Units to be built.
  - ii. Addressing parking issues.
  - iii. Limiting impact fees and other charges cities bring on developers.
  - iv. Addressing unreasonable burdens on the construction of housing.
- d. **Community Development Block Grants and Community Navigators** - Community Development Block Grants ([CDBG](#)) have helped counties like Missoula receive direct federal funding. Congress can fund CDBGs and community navigators that will work with municipal governments, builders, landlords, and tenants to finetune local regulations to enable more housing to be built and serve as an advocate to help communities utilize federal housing resources.

## 2

### Finance and Fund Housing

We are at our best when we are proactively and innovatively addressing the challenges we face. The Federal Government is uniquely positioned to incentivize more construction. We can develop federal incentive structures that promote the construction of higher-density housing or multi-family housing in high-demand metropolitan regions and promote housing innovation, including in building materials and methods, to reduce the financial and environmental costs of building new housing.

- a. **First time home buyer opportunities** - In Montana the average mortgage rate is over 7%. These interest rates deter first time home buyers in Montana. We can offset interest rates with an expanded first-time homebuyer tax credit for Montanans who qualify. For our first responders, nurses, teachers, and others who serve our community we can do more to make sure they can afford to live in our communities.
- b. For Montanans that have Federal Housing Administration (FHA) mortgages, we can reduce insurance premiums.
- c. A federal affordable housing fund can bring more supply onto the market, and we can further incentivize this construction to include both affordable rentals and affordable home sales. This new fund can also be used to upgrade existing properties to bring them onto the market, further expanding supply of housing.

## 3

### Fully Utilize the Fair Housing Act and HUD

If you're an electrician or carpenter, a teacher, a nurse, work in law enforcement, and so many other jobs that serve our community, your salary is most likely below that, but not far enough below that level to qualify for assistance. Add in the rapidly increasing price of homes in our state, and we have a situation where people that need assistance aren't eligible for the programs designed to help.

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- a. Area Median Income (AMI) is a statistic used by the Department of Housing and Urban Development to determine rent prices and income limits for affordable units. In Missoula the AMI for a family of four is \$80,200, in Bozeman it's \$104,700. We should direct the HUD to update the AMI calculation so it is more flexible to local prices and incomes
- b. Congress should also ensure that the Fair Housing Act is implemented as it was written, as HUD Secretary George Romney called for fifty years ago.

## 4

### Help Small Businesses Hire Workers

Pyramid Mountain Lumber in Seeley Lake, recently announced its closure due to the barriers they face finding employees who can afford to live in the area. Like the owners of Pyramid Mountain, far too many small business owners I have talked with can not find workers because of the sky rocking cost of housing.

- a. We need to [incentivize work force and small business](#) housing development by federally guaranteeing mortgage and construction programs designed for small businesses and developers doing small scale construction projects to expand the supply of housing in our communities.
- b. Western Montana is uniquely suited to use existing lumber and local saw mills to address the housing supply issue. We should also [update building codes to use mass timber](#):
  - i. Support and utilize local sawmills
  - ii. Incentivize – fuel reduction in local forests
  - iii. Continue mill production
  - iv. Use of local materials to help address the housing crisis

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## CONCLUSION

To effectively address housing, we must accurately **assess** the issue and have reliable data about what is causing the crisis on both the demand and the supply side.

We must hold bad actors **accountable** to ensure that the demand side of the problem is alleviated by bringing profit seeking out of state corporate entities to account.

We can incentivize supply of **affordable** homes through right-sizing programs and ensuring that our federal government is an effective and responsive partner to our local and county champions of housing in Montana.

Achieving equitable housing across Montana will require building coalitions from all walks of life. There are lots of good people coming together with good ideas. I am committed to working with everyone in Montana to address and solve this issue for Montanans.

Finally, houses in Montana should be homes for Montanans to sleep, eat, live, raise their children, grow a garden, chat with a neighbor about the other neighbors, and call home.

Along with so many of my neighbors, family, and friends from Montana, I am fortunate to have a home in Montana, and I want my daughters – and all our children – to have that opportunity as well.

**Let's get to work.**



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