



MBPC Testimony to the Senate Committee on Taxation in Support of Senate Bill 18

Presented January 23, 2019

Mr. Chairman, members of the committee.

Heather O'Loughlin, with the Montana Budget and Policy Center.

We rise in support of SB 18.

This past year, MBPC embarked on some new research related to the access to affordable housing in Montana. We've released two reports – which are up on our website – that provide an analysis of the number of families in Montana struggling to afford housing, as well as potential policy tools that states have enacted to improve access to affordable housing.

MBPC has also developed an interactive map with county level data on housing affordability for renters. You have in front of you the county-level information from your districts.

In nearly every community across Montana, there is a shortage of affordable and available rental housing, and more and more families, senior citizens, and those living on low- and moderate-incomes are struggling to find housing within their means.

Today in Montana, 46 percent of all renter households are cost-burdened. Cost-burdened is defined as paying more than 30 percent of household income on housing.

One in four renters live in poverty – or about \$20,000 annual incomes or less – and over 50 percent of these households spend more than half of their income on housing alone.

Senior citizens and those with disabilities who are often on fixed incomes face an even greater burden.

According to the National Low-Income Housing Coalition, there are only 52 affordable and available homes per 100 renter households living in poverty. Montana would need to add 16,467 rental homes to its housing market to make up for this current shortfall.

The federal Low-Income Housing Tax Credit Program provides the largest source of funding for affordable housing construction in the state, yet each year the Montana Board of Housing can fund only 25% of affordable rental housing development projects due to lack of available funds.

A state Low Income Housing Tax Credit program will help the state leverage a greater amount of federal funds to expand access to affordable housing.

An adequate supply of affordable rental homes is not just essential for the health and safety of families, the injection of federal funds has a rippling effect in local communities.