

MOUNTAIN PLAINS NAHRO

National Association of Housing & Redevelopment Officials



Montanans

Montana has a population of approximately 968,500, with 75% earning less than \$75,000 per year, 57% having income below \$50,000 per year and 30% having income below \$25,000 per year or 230,550 residents near poverty. The state estimates that the number of families living in poverty is increasing and could be as high as 55,000 by the end of 2010. Economic growth lags behind the nation, as job losses occurred later in 2009. The state government started 2009 with a projected surplus of \$300 million but recent estimates now show a deficit by the end of 2010. To a family with a median income of \$43,654 per year, the stagnant growth will make wages constant with little upward movement.

Affordability

A family paying 30% of their household income for housing expense is generally recognized as living in affordable housing. Here in Montana, the median renter income cannot afford the median priced two-bedroom rental unit in 36 of the 56 counties. Current challenges in the housing market have not lowered the cost of purchasing homes in Montana and has continued to pressure the rental market statewide which has kept rental costs at or above where they were in 2006. Although new single family has decreased dramatically, the development of new rental housing, subsidized and unsubsidized, is nearly nonexistent.

Please see table and notes on reverse.

There is and will be for many years an extreme shortage of rental housing throughout the state of Montana.

In Montana, the average Fair Market Rent (FMR) for a two-bedroom apartment is \$600. In order to afford this level of rent and utilities- without paying more than 30% of income on housing- a household must earn \$2,000 monthly or \$24,000 annually. Assuming a 40- hour workweek, 52 weeks per year, this level of income translates in a Housing Wage of \$11.54. Unfortunately, the estimated average wage for 230,550 Montanans is at or below the Housing Wage.

Homelessness

Homelessness is increasing with families with children constituting more than 50% of the homeless for the first time since 2007. Homeless costs for affected communities are rising. A recent study in Billings, found that the community spent \$31,000,000 in dealing with homelessness in one year or about \$13,000 per person, which exceeds the cost of an affordable housing unit in Montana.

Housing cannot be taken for granted. Montanans face numerous and serious challenges in meeting the housing needs of our citizens in the years to come.

Falling Short of Affordable Housing in Our Communities											
Montana AGENCY	Housing Wage (1)	Two Bedroom FMR (2)	Two Bedroom Payment Standard (3)	Monthly Income for a Family at Median Income (4)	Monthly Income for a Family at 30% AMI (5)	Max. Mthly Afford Hsg Cost at 30% AMI (6)	Additional amount paid by Family for Rent (7)	Percentage of Family Income Paid for Rent (8)	Public Housing Waiting List (9)	Section 8 Waiting List (9)	Com-bined Waiting List
Billings	\$12.40	\$645	\$690	\$5,075	\$1,545	\$464	\$181	42%	1,114	2,300	3,414
Butte	\$11.31	\$588	\$617	\$4,500	\$1,350	\$405	\$183	44%	355	98	453
Dawson County	\$11.31	\$588	\$633	\$4,392	\$1,337	\$401	\$187	44%	11	N/A	11
Great Falls	\$11.37	\$591	\$621	\$4,542	\$1,362	\$408	\$183	43%	143	297	440
Helena	\$12.23	\$636	\$681	\$5,458	\$1,637	\$491	\$145	39%	681	783	1,464
Missoula	\$13.54	\$704	\$771	\$4,950	\$1,483	\$445	\$259	47%	1,752	1,372	3,124
Richland County	\$11.31	\$588	\$617	\$4,491	\$1,345	\$403	\$185	44%	19	36	55
Whitefish	\$12.40	\$645	\$690	\$4,642	\$1,392	\$417	\$228	46%	33	63	96
MDOC	\$11.54	\$600	\$600	4,190	\$1,328	\$398	\$202	44%	N/A	10,074	10,074
SNAPSHOT TOTAL	\$11.93	\$620	\$658	\$4,693	\$15,724	\$426	\$195	43.67%	4,108	15,023	19,131

Notes

Unless otherwise footnoted, all information is provided by housing agencies in Montana and the National Low Income Housing Coalition 2009 Out of Reach Report.

- (1) Hourly wage @ 40 hrs per week necessary to afford the 2 bedroom Fair Market Rent (FMR)
- (2) Fair Market Rent as established by HUD at the 40% percentile- FY2009 (HUD: Final as of Oct 1, 2009)
- (3) Using the Fair Market Rent, a Public Housing Agency sets a payment standard between 90-110% of the FMR.
- (4) Area Monthly Median Income for a family with four people
- (5) Area Monthly Median Income for low income families at 30% AMI
- (6) Maximum amount a low income family should pay for rent
- (7) Additional Amount a Low Income Family would pay for monthly rent
- (8) Percentage of Income paid by low income family for rent
- (9) Waiting Lists for Public Housing and Housing Choice Voucher

