



State of Homelessness in Montana

Data from HUD's 2023 Annual Homelessness Assessment Report shows an alarming trend ranking Montana at the top in nearly every category.

Montanans experiencing homelessness:

- Up 45% from 2022 to 2023 - **3rd highest increase in the country.**
- Up 89% from 2007 to 2023 - **2nd highest increase in the country.**

Montanans experiencing chronic homelessness:

HUD definition: 'Someone with a disability who lives in a place not meant for human habitation or emergency shelter and has been homeless for at least 12 months in the past three years.'

- Up 57% from 2022 to 2023 - **3rd highest increase in the country.**
- Over 6x more people from 2007–'23 - **The highest increase in the country.**

Unaccompanied youth in Montana:

"Youth not in the custody of a parent or guardian"

- Up 76% from 2022 to 2023 - **2nd highest increase in the country.**

Homeless veterans in Montana:

- **1 of 5 states whose population of homeless veterans did not decline since 2009.**

The increased need is falling hardest on Montana's cities.

- From 2020 – 2022, Kalispell, Great Falls, Butte Helena, and Bozeman all saw **46 – 218% more people needing shelter and supportive services.**

Who sought help at Montana shelters in 2022?

- 30% of people had a mental health disorder or SUD.
- 27% of people had a chronic health condition or disability.
- 11% were children under 18.
- 10% were veterans.
- 9% were over the age of 62.
- 4% were fleeing domestic violence.



Policies That Will Make a Difference

Expand Medicaid Services for At-Risk Populations:

1) Amend Montana's 1115 Medicaid waiver

Montana's 1115 Medicaid waiver should be amended to expand and simplify the provision of tenancy supports, case management, and peer support services for Montanans who are unhoused or at risk of homelessness.

As of September 2023, 19 states had approved 1115 waivers, allowing these services to be eligible for unhoused and at-risk populations. A key requirement of 1115 waivers is cost neutrality.

2) Appropriate funding to expand tenancy supports

Housing navigators or 'tenancy support specialists' (TSS) can help people Montanans who are unhoused/at risk of becoming unhoused find affordable housing options, apply for and navigate supportive housing programs and vouchers, fill out and submit rental applications, and help mediate with landlords to prevent evictions.

Starting in late 2024, these services will be eligible for Medicaid reimbursement under the HEART waiver. While Medicaid reimbursement can pay for up to 90% of staffing costs for these positions, reaching that point often requires a 1 – 3 year draw-down period while new TSS are hired, onboarded/trained, and ramp up productivity (billable hours per day).

Funding to help providers bring on TSS and pay for that draw-down period could help sustainably expand these services, get Montanans back into stable housing, or prevent them from losing their housing altogether.

Increase Access to Housing Vouchers:

3) Fund Housing Risk Mitigation Funds

Risk mitigation funds (also called 'housing risk pools') are insurance for landlords participating in a subsidized housing program or renting to tenants with housing vouchers. These funds can provide for lost rent or damage to a unit beyond normal wear and tear.

4) Conduct a Statewide Fair Market Rent (FMR) Study

Last year, HUD recaptured roughly \$4.5 million in federal Housing Choice Vouchers (HCV) rental assistance base budget authority from Montana voucher programs due to HUD Fair Market Rents and related voucher payment standards being set well below current rental costs in Montana communities. The success rate of eligible voucher holders obtaining housing using their vouchers dropped to below 40%. Overall voucher utilization experienced a parallel drop. The fact that our rental assistance programs are unable to pay market rents means that Montana landlords and eligible households are unable to access these



federal dollars to support housing needs we are experiencing across our state.

Montana communities across the state in recent years have experienced among the highest percentage rent increases in the entire country. Due to our relative low population size, the standard HUD FMR process simply does not capture our Montana on-the-ground rental market realities of rapidly increasing rental costs. The result is that Montana market rents have far outpaced the allowable payment amounts for HCVs, and other rental assistance. The low FMR's discourages landlord participation in the program, and undercuts their ability to invest and improve their properties and discourages development of additional rentals.

A HUD FMR Reevaluation study is how we address the large gap between HUD FMRs and Montana market rents ensuring that Montana landlords and eligible households receive their fair share of federal rental assistance dollars to address our unprecedented statewide housing emergency. A statewide FMR study will ensure that rental assistance programs can pay landlords rents that will allow eligible voucher holders to obtain housing and foster investment in housing preservation and improvements and development of new rental properties. A FMR Reevaluation study is technically challenging in Montana and costly but will leverage millions in federal housing assistance if completed successfully.

5) Incentive landlords

- a. The state could help provide remediation incentives or bonus funding to assist landlords in updating units to comply with Housing Choice Voucher requirements.
- b. The state could help provide sign-on bonuses or tax credits for landlords accepting target housing vouchers.

Some housing authorities have had to redirect administrative or staff funding to provide landlord incentives for renting to families with housing vouchers. **In Billings, such incentives helped 267 families obtain housing in 32 months for around \$500/family.**

6) Ban source-of-income discrimination

Refusing to rent to voucher holders is known as "source-of-income discrimination." This form of discrimination disproportionately affects renters of color, renters with disabilities, elderly renters, and women. The federal "Fair Housing Act" protects these groups from discrimination based on their identities, but it does not protect them from discrimination based on their source of income. Seventeen states have passed legislation preventing this sort of discrimination.

Improve Data Collection:

7) Provide matching funds to assist in data collection and entry

Data on the state's unhoused population largely comes from the annual Point in Time (PiT) Count and the Homeless Management Information System (HMIS). At the state's largest shelters, like Billings and Missoula, which sometimes serve over 300 people/night in the



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winter, funding to pay staff for data collection and entry is in direct competition with other critical operation needs.

When large shelters cannot afford HMIS data entry, Montana will artificially undercount people living unhoused, and hundreds of thousands in federal HUD grants are jeopardized.

Matching funds will help localities and large shelters pay for data entry, improve our state's data on the number of Montanans seeking shelter, and maximize the federal grant funding that comes into the state.