

**STATE OF MONTANA
OFFICE OF THE GOVERNOR
EXECUTIVE ORDER No. 5-2022**

EXECUTIVE ORDER CREATING THE HOUSING ADVISORY COUNCIL

WHEREAS, one of the central tenets of the American dream is homeownership, with homeowners having a place to call their own and building equity and wealth;

WHEREAS, renting is a path to first-time homeownership;

WHEREAS, the availability of affordable, attainable housing is critical to the wellbeing of individuals, communities, businesses and organizations of all sizes, and the economy at large;

WHEREAS, access to affordable, attainable workforce housing provides greater opportunities to realize the American dream, allows for more robust job creation, promotes a stronger economy, and is essential to ensuring our residents and future generations are able to live, work, and raise their families in Montana;

WHEREAS, driven by shortage of housing supply, Montana faces a crisis of affordable, attainable housing that poses substantial challenges to hardworking Montanans, employers, communities, and the state's economic health;

WHEREAS, with housing demand surging amid tight supply, the price of housing in the United States and in Montana continues to rise;

WHEREAS, between 2010 and 2020, Montana's population growth of 9.6 percent outpaced the state's housing unit growth of 6.6 percent;

WHEREAS, reasons for housing shortages across the United States include a lack of available construction labor, land use regulations, zoning restrictions preventing supply from increasing to meet demand, and a lack of land developers and land to develop;

WHEREAS, a substantial factor contributing to tight housing supply has been underbuilding of entry-level homes, or starter homes, which are in high demand but low supply;

WHEREAS, driven by increased consumer demand and national supply chain breakdowns, the cost of building a new home has soared, with private residential construction costs skyrocketing 18.4 percent nationally between March 2021 and March 2022;

WHEREAS, the Pew Charitable Trusts reported the research consensus that jurisdictions with strict zoning and other housing supply regulations increase housing costs, stifle economic growth, and result in fewer homes built;

WHEREAS, regulations at every level of government drive up the price of newly built homes, with the National Association of Home Builders estimating in 2021 that the average cost of

regulation in the price of a new home soared by 44 percent in the last decade, from \$65,224 in 2011 to \$93,870 in 2021, and reporting that government-imposed regulations account for 23.8 percent of the final price of a new single-family home built for sale;

WHEREAS, with Americans facing a record-low housing inventory in early 2022, median rent prices have risen rapidly;

WHEREAS, a key measure of whether housing supply is meeting demand, the rental vacancy rate in Montana fell from 5.7 percent in 2010 to 4.4 percent in 2020, further driving rent price increases;

WHEREAS, in a November 2021 report to the Montana Legislature, the Pew Charitable Trusts observed that “[g]rowing cities that allow ample housing construction have seen more affordable rents”;

WHEREAS, it is critical to the wellbeing of our state, our communities, and our people to find solutions to the drivers of a tight supply of affordable, attainable housing, including a lack of available construction labor, land use regulations, zoning restrictions preventing supply from increasing to meet demand, and a lack of land developers and land to develop; and

WHEREAS, increasing access to attainable, affordable housing is in the best interests of Montana citizens and job creators.

NOW, THEREFORE, I, GREG GIANFORTE, Governor of the State of Montana, pursuant to the authority vested in me under the Constitution, Mont. Code Ann. § 2-15-122 and any other applicable statutes, do hereby authorize the creation of the Housing Advisory Council, also known as the Governor’s Housing Task Force (“Task Force”), and order as follows:

PURPOSE

The Task Force shall provide the Governor with short- and long-term recommendations and strategies for the State of Montana to increase the supply of affordable, attainable workforce housing.

In developing recommendations and strategies, the Task Force shall seek input from Montana citizens, members of the Montana 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.

COMPOSITION

The Task Force shall consist of up to 30 members who shall be appointed by and serve at the pleasure of the Governor.

The Director of the Department of Environmental Quality shall serve as the presiding officer of the Task Force.

Task Force members shall include, but not be limited to, persons from the following categories:

- members or staff of professional associations representing business, industry, and workers;
- state agency directors, or their designees, including from the Department of Environmental Quality, the Department of Natural Resources and Conservation, the Department of Commerce, and the Department of Labor and Industry;
- elected officials, including state legislators and leaders from local jurisdictions;
- members of state boards, councils, and commissions;
- subject matter experts and researchers; and
- stakeholders.

The Department of Environmental Quality shall provide administrative support for the Task Force.

Given the diverse composition of the Task Force, meetings may be conducted in person throughout the state and/or remotely as determined by the presiding officer.

REPORT

By October 15, 2022, the Task Force shall provide an initial written report to the Governor with recommendations and strategies to increase the supply of affordable, attainable workforce housing, specifically focusing on measures the Legislature could consider and the Governor could sign into law.

By December 15, 2022, the Task Force shall provide an initial written report to the Governor with recommendations and strategies to increase the supply of affordable, attainable workforce housing, specifically focusing on regulatory changes and best practices that could be adopted by state agencies and local governments.

The Task Force's reports shall identify federal, state, local, and other governmental policies, including but not limited to land use regulations and zoning restrictions, that inhibit increasing housing supply to meet demand.

The Task Force's reports shall identify strategies and recommendations to increase the supply of affordable, attainable workforce housing – which state agencies may adopt through regulatory changes, the Legislature may enact into law, or local jurisdictions may adopt – for:

- expanding the state's construction workforce;
- reforming land use regulations; and
- reforming zoning restrictions that prevent supply from increasing to meet demand.

TERMINATION

The Task Force shall cease to exist on July 1, 2023, unless rescinded earlier or renewed by subsequent executive order.

COMPENSATION

Council Members shall be entitled to reasonable travel expense reimbursement under Mont. Code Ann. § 2-15-122.

THIS ORDER is effective immediately.

GIVEN under my hand and the GREAT SEAL of the State of Montana this 19 day of July, 2022.





GREG GIANFORTE, Governor

ATTEST:



CHRISTI JACOBSEN, Secretary of State