



Great Falls Chapter
of the
Montana Landlords Association, Inc.

Rick Linafelter, Chapter President
Bill Brainard, Chapter Vice President

January 18, 2017

Montana Board of Housing
PO Box 200528
Helena, MT 59620-0528

It is my understanding that: NeighborWorks Great Falls, 509 1st Ave. S., Great Falls, MT 59401, 406-761-5861, a nonprofit organization, and GMD Development, LLC, 520 Pike St., Ste. 1010, Seattle, WA 98101, a for-profit organization, hereby notifies all interested persons of Great Falls, Montana, that we are planning to develop, Rockcress Commons, a workforce multi-family rental housing complex on the site located at the intersection of 24th Avenue South and 23rd Street South. This complex will consist of 60 one-bedroom, 60 two-bedroom, and 24 three-bedroom units for individuals and families. This project may be exempt from property taxes.

The Great Falls Chapter of the Montana Landlords Association held a meeting on January 17, 2017 at 7:00PM and discussed this proposal. Those in attendance unanimously voted to submit a letter of protest to this proposal for the following reasons:

1. There was a survey done approximately two years ago concerning the shortage of housing in the Great Falls area. When this survey was done, the shortage of housing was due, in part, to the extra short-term workers in town revamping the refinery. This project has since been completed. We now feel that there is an ample amount of housing available. I, myself, have 6 units of my 24 units vacant at this time. I surveyed the members at the meeting last night, and the majority of them have vacancies. The estate of my previous vice-president, who passed away last month, has 5 units of the 20 units vacant. I had one other landlord tell me he has 16 vacancies at this time.
2. This grant money is supposed to be used for work-force (working-class) rental units, but they are using the low-income rental guidelines to establish their rent amounts. This is a contradiction of the allocation of the money because they are proposing to use it for work-force individuals but are planning to use low-income guidelines to establish the rents.
3. The rental market is based on supply and demand. Right now, if you check the guidelines for the voucher programs in Kalispell, a 2 bedroom, 1200 square foot unit is approximately \$1,200.00 per month. Here in Great Falls, it is \$792.00 per month. This disparity would indicate that there is an overabundance of rental units available in Great Falls. The members with vacancies have stated that they are not even getting calls from people looking for rental units. The rental markets in Billings, Bozeman, and Missoula are also higher than Great Falls. All this will do is create a bigger draw for the welfare community to move into Great Falls. Cascade County already has the highest proportion of people receiving public assistance in the State of Montana, and adding more low income families will only further stress our local economy.

4. This 144 unit project will easily add approximately 200 additional students to the school district. According to State Law, the amount of money the school district receives is based on the number of students in each district, with a dollar amount set for each student. This school funding comes primarily from property taxes. Since this proposed plan is to be tax-exempt, this project will not add to the tax base, which means that those of us who pay property taxes will have to pay the additional funds on our existing properties we own, in the city and in parts of the county.
5. We do not feel that Montana grant money should be given to an out-of-state for-profit company. Furthermore, we do not feel that an out-of-state company should be able to acquire income generating property in Montana and not be required to pay property taxes as required by Montana residential property owners. In addition, we do not feel that an out-of-state company should benefit from money collected as Montana rental income and spend that money outside of Montana. This project will result in an out-of-state company benefitting from rental income generated in Montana without requiring that company to contribute to sustain Montana's economy.

For the above reasons, we strongly recommend that you do not authorize this money be allocated for this project.

Rickey D. Linafelter
Montana Landlords Association State President
MLA Great Falls Chapter President
401 17th Street
Black Eagle, MT 59414-1021
linafelterr@msn.com
406-452-8276 - home
406-799-8276 - cell
406-727-3688 - fax