



# City of Helena

## CITY OF HELENA

City-County Joint Work Session

March 5, 2024 - 4:00 PM

City - County Building Room 326 / Zoom Online Meeting; <https://us06web.zoom.us/j/89953278194>

1. **Call To Joint Work Session, Introductions**
2. **Commission Comments, Questions**
3. **Minutes**
  - A. February 6, 2024 - JWS Minutes
4. **Joint Discussion**
  - A. Helena Air Service Alliance Discussion
  - B. Westside Fire Service Area Fire Protection Agreement
  - C. Presentation by Helena Housing Authority Fair Market Rent Survey/Re-positioning
5. **Future Agenda Items**
6. **Public Comment**
7. **Upcoming Events, Joint Announcements**
  - A. Reminder: Joint Budget Work Session Scheduled for April 2, 2024
8. **Adjournment**

The City of Helena is committed to providing access to persons with disabilities for its meetings, in compliance with Title II of the Americans with Disabilities Act and the Montana Human Rights Act. The City will not exclude persons with disabilities from participation at its meetings or otherwise deny them the City's services, programs, or activities.

Persons with disabilities requiring accommodations to participate in the City's meetings, services, programs, or activities should contact the City's ADA Coordinator, Ellie Ray, as soon as possible to allow sufficient time to arrange for the requested accommodation, at any of the following:

Phone: (406) 447- 8490

TTY Relay Service 1-800-253-4091 or 711

Email: [citycommunitydevelopment@helenamt.gov](mailto:citycommunitydevelopment@helenamt.gov)

Mailing Address & Physical Location: 316 North Park Avenue, Room 445, Helena, MT 59623.

**CITY OF HELENA – LEWIS & CLARK COUNTY**  
**February 6, 2024**  
**4:00 p.m.**  
**Hybrid Meeting: City-County Building Room 326 and via Zoom**

Call to Order

Commissioner Andy Hunthausen called the meeting to order at 4:00 p.m.

Those Attending all or a portion of the meeting included: Mayor Wilmot Collins; City Commissioners Emily Dean, Sean Logan, Andy Shirtliff, Melinda Reed; County Commissioners Andy Hunthausen, Tom Rolfe; County Chief Administrative Officer Roger Baltz; County Chief Financial Officer Frank Cornwell; City Manager Tim Burton; Chief of Police Brett Petty; County Grants and Purchasing Director Ann McCauley; Community Development and Planning Director Greg McNally; County Administrative Assistant Nadine McCarty; County Public Works Director Jenny Chambers; City Parks Director Ryan Leland; Great West Engineering Stephanie Beckert; City Community Development Director Chris Brink; Good Samaritan Theresa Ortega; City Public Works Deputy Director Ed Coleman; City Transportation System Director David Knoepke; Housing Coordinator Ann Pichette; Montana Free Press Reporter JoVonne Wagner; Lauren Barnes and Florence Liston Recording Secretary. Those attending via Zoom included: City Grants Administrator Amanda Opitz; City Transportation Systems Deputy Director Chris Couey; County Communication Coordinator Betsy Kirkeby; Clerk of the City Commission Dannai Clayborn; Independent Record Reporter Nolan Lister; Executive Assistant to the City Manager Stefani Reinhardt; City Fire Chief Jon Campbell; Guest Dr. G.

Minutes

[00:02:17] The minutes for December 5, 2023, were approved as submitted.

Solid Waste Master Plan Update

[00:02:46] Jenny Chambers, Public Works Director, presented the Solid Water Master Plan. This is a Coordinated effort between the city and the county.

[00:04:15] Stephanie Beckert, Great West Engineering, presented the System Evaluation. She reviewed the capital infrastructure options and the updated schedule.

[00:18:36] City Manager Tim Burton inquired about the projected life.

[00:18:58] Ms. Chambers commented on the life of the waste cell.

[00:21:11] Commissioner Logan inquired about the county having the potential capacity for solid waste beyond 80 years in additional land.

[00:21:23] Ms. Chambers responded on the current footprint. Property on the south side has 20 to 30 acres to expand.

[00:23:03] Commissioner Hunthausen commented on the longevity of the landfill.

Capital Transit FY25 Budget

[00:25:23] Chris Couey, City Transportation Systems Deputy Director, presented the FY25 Capital Transit budget with revenue at \$2,055,000, and expenses at \$2,034,000.

[00:36:39] Commissioner Rolfe inquired about the total number of rides per fiscal year.

[00:37:14] Commissioner Dean added that there were 50,000 rides for 2023.

[00:37:35] Mr. Couey described the typical process; with the budget being due to the state in early March.

[00:38:11] Commissioner Rolfe inquired about the number of handicap assistance rides.

[00:38:20] Mr. Couey explained that under four thousand rides were the disabled rides.

#### Proposed CDBG/HUD Sponsorship Process for City & County

[00:39:20] Chris Brink, Community Development Director, presented the CDBG/HUD Sponsorship Process.

[00:41:04] Ann McCauley, Grants and Purchasing Director, discussed the community needs assessment.

[00:42:24] Commissioner Reed inquired about the applications.

#### Joint Infrastructure Study Update

[00:44:13] Greg McNally, Community Development and Planning Director, presented the Joint Infrastructure Study update along with the subdivision study.

[00:46:24] City Manager Tim Burton discussed the 50/50 split with the city and county on this project.

[00:46:36] Commissioner Hunthausen summarized the infrastructure.

[00:48:32] Commissioner Dean inquired about when the contract will be presented, how the study will be conducted and the completion date.

[00:50:19] City Manager Tim Burton commented on the city process.

[00:50:43] Commissioner Hunthausen summarized the importance of working together.

#### County Growth Policy Update

[00:52:03] Greg McNally, Community Development and Planning Director, presented the growth policy county wide update. Early 2025 is the goal for the completion of the growth policy.

#### Public Comment

[00:54:04] No public comment was received.

#### Agenda items for Tuesday March 5, 2024, Contact Stefani Reinhardt X 8427

#### Adjournment

There being no further business, the meeting adjourned at 4:55 p.m.

February 22, 2024

Mr. Tim Burton  
City Manager  
City of Helena  
316 N. Park Avenue  
Helena, MT. 59623

Mr. Roger Baltz  
Chief Administrative Officer  
Lewis and Clark County  
316 N. Park Avenue, Suite 345  
Helena, MT. 59623

Mr. Burton, Mr. Baltz,

We extend our sincerest thank you for allowing us the opportunity to provide an update on the collaborative efforts of the Helena Air Service Alliance related to improving commercial air service to the capital city. As the saying goes “it takes a village” to ensure success at so many challenges facing communities today, and the quest for commercial air service retention and expansion is similar. We will cover the numerous strengths, weaknesses, opportunities, and threats associated with this community effort. The industry is changing rapidly and has become extremely volatile and competitive among communities. Our continued goal is to do everything possible within our control to ensure Helena has the most efficient, economically viable air service.

We have also provided a copy of our presentation ahead of time for the Commissioner and staff packets and we look forward to answering any questions and inviting the City and County to join our ongoing efforts.

We look forward to seeing you all on March 5!



Sincerely,



Jeff Wadekamper  
Airport Director  
Helena Regional Airport Authority  
(406)-442-2821  
[jwadekamper@helenairport.com](mailto:jwadekamper@helenairport.com)



Callie Aschim  
President and CEO  
Helena Area Chamber of Commerce  
(406)-442-4120  
[caschim@helenachamber.com](mailto:caschim@helenachamber.com)





A photograph of an airport tarmac under a clear blue sky. In the foreground, a Delta Connection aircraft (tail number N2745T) is parked. In the background, two other Delta aircraft are visible, and snow-capped mountains rise on the horizon.

# HELENA AIR SERVICE ALLIANCE COMMUNITY PARTNERSHIP OUTREACH

## Presenters:

Jeff Wadekamper, Airport Director – Helena Regional Airport Authority

Callie Aschim, President & CEO – Helena Area Chamber of Commerce



# AIRPORT AUTHORITY COMMISSIONERS - 2024

- Mike Muscarelli (County) – Chair
- Debbie Havens (County) – Vice Chair
- Bob Heberly (City) – Secretary
- Tom McGree (City) – Immediate Past Chair
- Jim Enyeart (County) – Commissioner
- Jason Davis (Joint City/County) – Commissioner
- Troy McGee (City) - Commissioner



# WHAT IS MAKING AIR SERVICE RECRUITMENT SO COMPETITIVE?

- **Limited Resources** – pilots, aircraft
- **Rising Costs** – labor, fuel, aircraft, insurance, regulatory impacts, airport use fees
- **Regionalization of Air Service** – economics/resource utilization



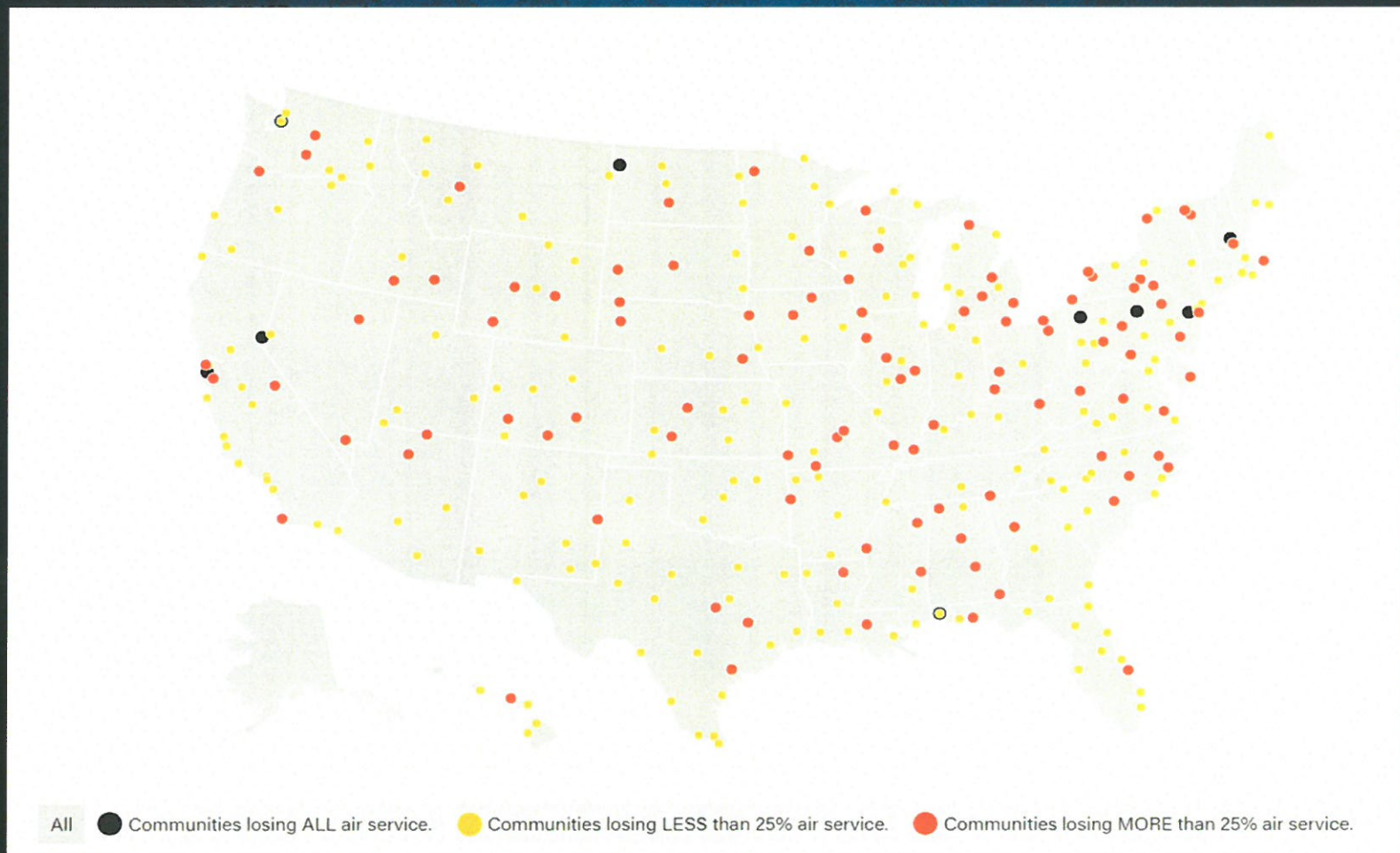
# AIRCRAFT FLEET TRANSITIONS - OPPORTUNITIES AND CHALLENGES





# NATIONWIDE AIR SERVICE LOSSES DUE TO CHANGING DYNAMICS

\*Source: [www.rallyforairservice.com](http://www.rallyforairservice.com)





# CAPITAL CITIES WITH NO/LIMITED AIR SERVICE

- Salem, Oregon (population 177,000) – 2X week Avelo to Las Vegas/Burbank (leisure based)
- Topeka, Kansas (area population 360,000)
- Frankfort, Kentucky (population 27,680)
- Annapolis, Maryland (population 41,000)
- Dover Delaware (population 37,523)
- Concord, New Hampshire (population 44,000)
- Olympia, Washington (population 51,534)
- Carson City, Nevada (too close to Reno)
- Cheyenne, Wyoming (population 63,607) – 2 flights a day to Denver (**subsidized by City/State** at **\$2.5 Million/year**)
- Pierre, South Dakota (population 13,961) – Service on 1 **Federally subsidized** small airline to Denver
- Springfield, Illinois – (population 113,000) - One Network Airline serving Chicago ( 50 seat jet - AA), 2/week Allegiant
- Lincoln, Nebraska – (population 300,000) – **One airline** brand to **two hubs**
- Jefferson City, Missouri (population 43,000)



# **FEW EXAMPLES OF COMMUNITY SUBSIDIZED AIR SERVICE IN OUR REGION ALONE**

- Cheyenne, Wyoming - (\$2.5 Million/ year by City, State)
- Casper, Wyoming – (\$1.3 Million/year paid by the County/State)

(\*Service to all airports in Wyoming is state/community subsidized except Jackson Hole)

- Lewiston, Idaho – (\$4 Million paid by County over 3 years)
- Pocatello, Idaho – (\$1.01 Million/year by City of Pocatello)
- Twin Falls, Idaho – (\$800,000/year paid by City of Twin Falls)

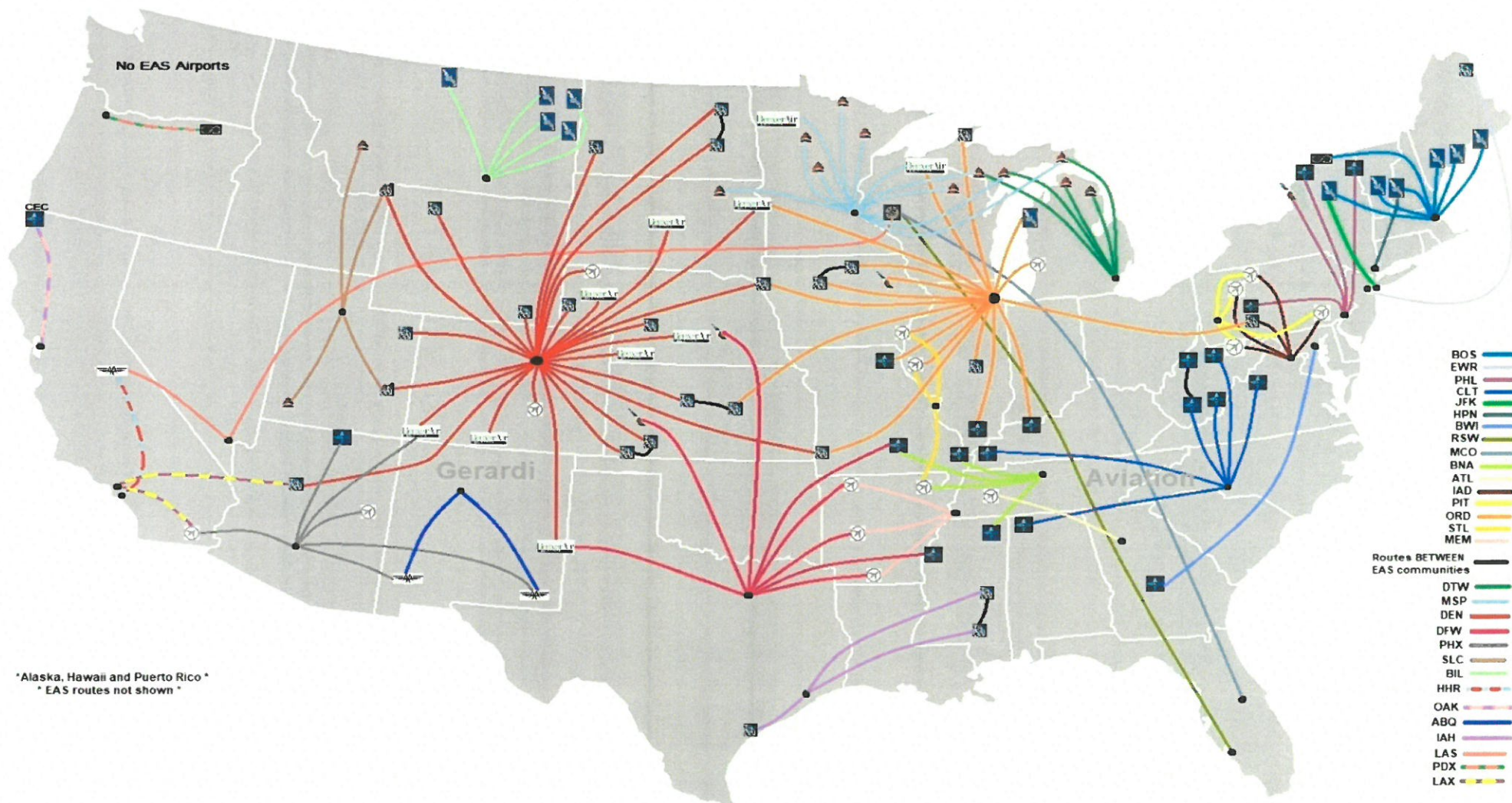


# **FEDERALLY SUBSIDIZED AIR SERVICE CITIES IN MONTANA**

- **Butte** (\$3.5 Million / year)
- **Glasgow** (\$2.7 Million / year)
- **Glendive** (\$2.8 Million / year)
- **Havre** (\$2.8 Million / year)
- **Sidney** (\$6 Million / year)
- **West Yellowstone** (\$1.49 Million / year – SUMMER ONLY)
- **Wolf Point** (\$2.9 Million / year)



# NATIONWIDE FEDERALLY SUBSIDIZED AIR SERVICE



Updated: Summer 2023



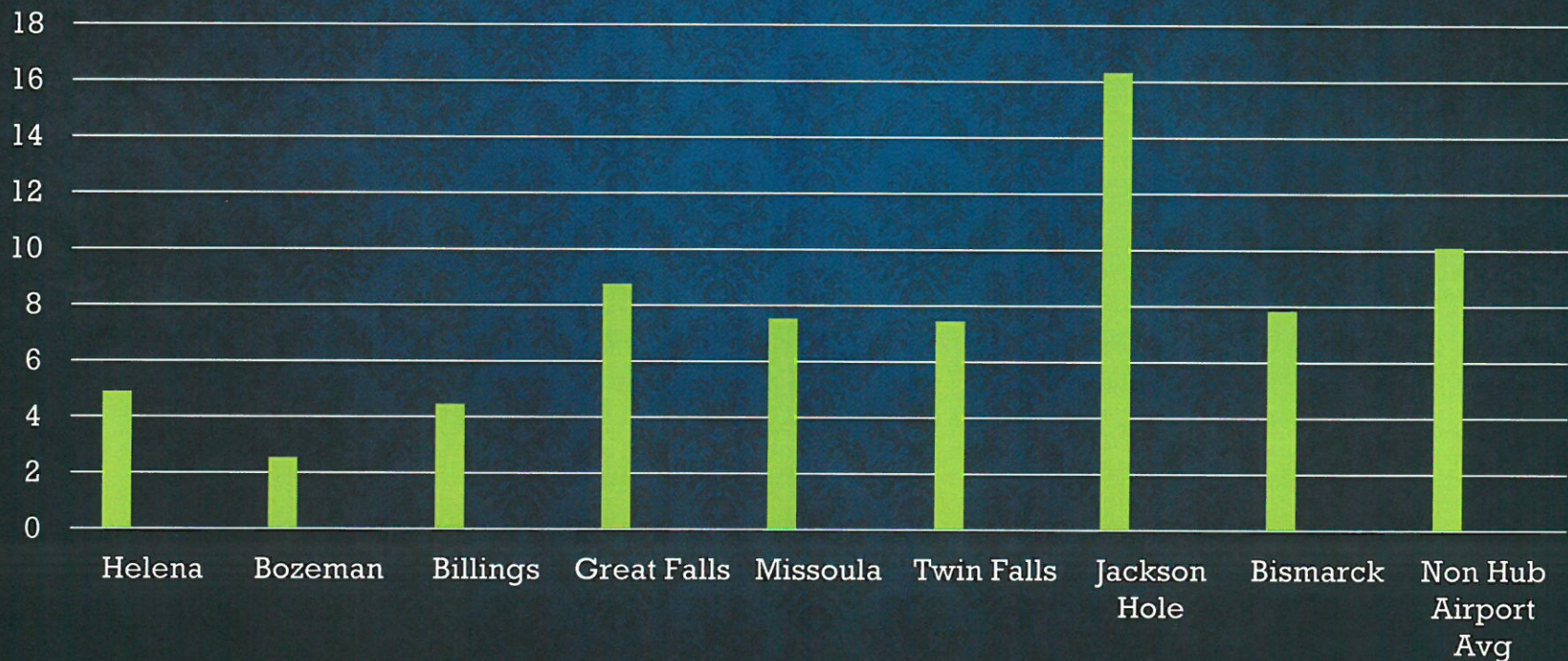
# WHAT THE AIRPORT CONTROLS

- **Modern, Efficient Airport Facility** – Helena includes NO terminal debt included in airline fees charged to use the airport (VERY RARE!).
- **Airport Fee Waiver Program** – No airport use fees for the first 2 years of any new service.
- **No Barriers to Entry** – NO complex airport use agreements or penalties
- **US DOT Air Service Grant** - \$1,004,743 (assigned to American – DFW Effort)  
Airports can only hold 1 grant at a time and wait 3 years after a grant has been used to re-apply. GRANTS ALSO REQUIRE LOCAL FUNDING MATCH!
- **Air Service Consultant** – Mike Boyd – Boyd Group International
- **Unique/Low Cost Airport Business Model** – diversified revenue portfolio to keep airline use fees competitive / **profitable**



# COMPARISON OF AIRPORT USE FEE PAID AT AIRPORTS

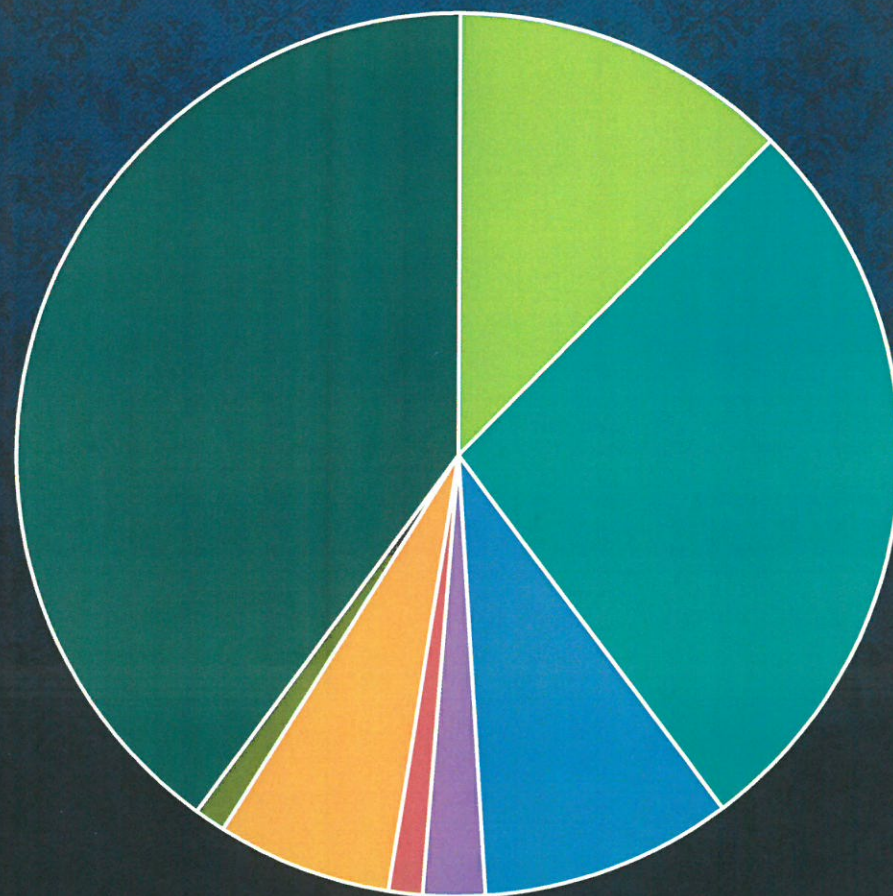
**Cost Per Passenger Paid By Airlines To Use Airport**





# AIRPORT'S **DIVERSIFIED** REVENUE SOURCES

Income Sources



**NO City, County, or State Funds for Operations & Maintenance**  
**2 MILS removed in 1993**

**78% of revenue is non-aviation related!!**

**Airport is financially self sufficient (except SOME capital projects - can't be used for M&O Expenses)**

■ Airline Rents and Fees  
■ Landing Fees

■ Parking, Rental Cars, Concessions  
■ Commercial, GA Ground Leases  
■ T and Shed Hangars

■ Fuel Flowage Fees  
■ Non-Aeronautical



# ONGOING / RECENT AIRLINE MEETINGS (IN-PERSON)

- Alaska
- Allegiant
- American
- Breeze
- Delta
- Southwest
- Sun Country
- Cape Air
- Southern
- United



# DELTA - MINNEAPOLIS

- Service discontinued in March of 2020 during COVID – prior this route was operating very well – 85% + load factors, strong yields/profitability.
- Airport Fee Waiver – 2 years of no airport use fees offered (FAA definition of “new” service after 2 years of hiatus)
- Helena Air Service Alliance raising funds for marketing and other incentives



# AMERICAN AIRLINES RECRUITMENT UPDATE

- Why American?

- Additional brand – more competition = lower fares, new hub access

- Why Dallas?

- Dallas – Largest AA Hub – 270+ connecting destinations
- 11 New Embraer 175 (76 seat) jets ordered – delivery in 2024/2025
- 2025 – earliest opportunity for Helena (pilots and aircraft)
- Current Incentive Package - \$1.6 Million – WE NEED MORE!
- **COMPETITION FROM OTHER COMMUNITIES/AIRPORTS FOR THE SAME AIRLINE / ROUTE**



# RECENT SUCCESS FROM THIS COLLABORATIVE EFFORT

- **Retention** – while we lost the Delta MSP route in 2020, we retained all 3 airline brands and 3 of 4 hubs since 2020!
- **United Airlines** restored second daily Denver flight in June of 2023
- **Delta** added 3<sup>rd</sup> daily Salt Lake City flight during 2023/2024 holiday season
- **Alaska Airlines** announced second daily Seattle flight beginning summer 2024 (May 16 – August 18)



# OTHER MONTANA / REGIONAL CITIES DOING SIMILAR EFFORTS

- **Bozeman** – Community Coalition – Estimated \$10 Million of incentives in past 10 years! (Big Sky/Yellowstone Club, etc...)
- **Great Falls** – Low-Cost Airline Initiative - \$1.6 Million Incentive package for more flights (includes \$150K from City of Great Falls).
- **Billings** – Fly Billings - \$1 Million DOT Grant + \$800,000 local funds (includes \$375,000 from TBID)
- **Missoula** – Take Flight Missoula
- **Kalispell** – Airline Enhancement and Retention Outreach (AERO)
- **Idaho Falls** – DOT Grant / Community Funds - \$1.2 Million Package



# HOW THE COMMUNITY CAN HELP MAINTAIN / GAIN MORE FLIGHTS

- Use Existing Flights – data proves the need for growth!
- \*Revenue Guarantees – cash \$
- \*Marketing – cash and in-kind donations

\* The Chamber of Commerce is managing the donated funds since all airports are legally restricted from managing incentive funds.



# WHY DO WE NEED COMMUNITY FINANCIAL SUPPORT?

## HELENA MUST BE COMPETITIVE!

**Air Service Recruitment Today  
Requires Incentives to Be  
Competitive**

***\*Federal regulations do not allow airport funds to  
be used for air service revenue guarantees or  
incentives.***



# WE INVITE THE CITY AND COUNTY TO JOIN THE EFFORT

- **MORE INFO** – [www.helenaairservice.com](http://www.helenaairservice.com)

or Contact Jeff Wadekamper, Airport Director (406)-442-2821 /  
[jwadekamper@helenaairport.com](mailto:jwadekamper@helenaairport.com) .

- **DONATIONS** – Managed by the HELENA AREA CHAMBER  
OF COMMERCE – Callie Aschim, CEO (406)-442-4120 or  
[info@helenachamber.com](mailto:info@helenachamber.com)

THANK YOU FOR THE OPPORTUNITY AND SUPPORT!





**MEMORANDUM OF UNDERSTANDING BETWEEN**

**HELENA AIRLINE ALLIANCE PARTNERS AND HELENA AIRLINE ALLIANCE**

This Memorandum of Understanding ("MOU") is made and entered into on \_\_\_\_\_ ("the effective date") by \_\_\_\_\_ (Helena Airline Alliance Partner) and Helena Chamber of Commerce Foundation.

**MISSION:**

*Our mission is to maintain and grow air service which benefits the community through access to airline networks, job growth, economic development, and local quality of life improvement.*

Partner will provide financial support at an agreed upon level per year for a (please circle)

one-year      three-year      five-year      commitment.

Please indicate your level of support for Helena Airline Alliance below:

Statement of Commitment:

Pledge of Financial Support per year \$ \_\_\_\_\_

Billing Preference \_\_\_\_\_

NOTE: Checks will be made out to Helena Century II Foundation – this is the Helena Area Chamber's 501-C-3 foundation. Support payments for Helena Airline Alliance will be deductible as a charitable contribution.

The Parties hereto have duly executed this MOU on this \_\_\_\_\_ of \_\_\_\_\_, 2023.

**Helena Airline Alliance**

**Partner**

\_\_\_\_\_  
Callie Aschim

\_\_\_\_\_  
Title \_\_\_\_\_

Helena Chamber President

Company \_\_\_\_\_

## **WESTSIDE FIRE SERVICE AREA FIRE PROTECTION AGREEMENT**

**THIS AGREEMENT** is made and entered into by and between the **CITY OF HELENA, MONTANA**, hereinafter referred to as "City," and **LEWIS AND CLARK COUNTY, MONTANA**, hereinafter referred to as "County," on behalf of the Westside Fire Service Area (WFSA).

**WHEREAS**, the County has requested that the City provide fire suppression, investigation, and medical emergency first responder services within the WFSA at as near as possible a level as such services are provided to properties within the corporate limits of the City, and upon the terms and conditions hereinafter provided; and

**WHEREAS**, the WFSA is a legally created Fire Service Area in accordance with § 7-33-2401 and § 7-33-2404, Montana Code Annotated; and

**WHEREAS**, the WFSA would like to obtain the fire services stated above and enter into a agreement with the City for such services; and

**WHEREAS**, the Board of County Commissioners of Lewis and Clark County has elected to govern and manage the affairs of the WFSA pursuant to § 7-33-2403, Montana Code Annotated; and

**WHEREAS**, the Board of County Commissioners retains the right to transfer the management of the WFSA to a Board of Trustees in accordance with § 7-33-2403, Montana Code Annotated, and, if such a transfer occurs, written notice thereof shall be provided to the City thirty (30) days prior to the effective date of the transfer.

**NOW, THEREFORE**, it is agreed by and between the parties hereto as follows:

**SERVICES:** The City will furnish the following services to properties and residents within the WFSA at the same level as such services are provided to properties and residents within the corporate limits of the City:

1. Fire protection and suppression;
2. Fire inspection upon request by the County Fire Warden, Sheriff, and/or the property owner;
3. Fire investigations; and
4. Medical emergency first responder services.

5. The City's Open Burning Ordinance does not apply to the WFSA. Property owners within the WFSA fall under County burning regulations.

**SERVICE AREA:** Fire services will be provided to all properties located within the boundaries of the WFSA as specified in the resolution of the Lewis & Clark County Commission creating said WFSA, and as amended from time to time by agreement of the parties. Any enlargement of the WFSA will not receive fire services unless the enlargement is approved in writing by the City. Other than by annexation, no property shall be deleted from the service area without the written consent of both parties.

**ANNEXATIONS:** In the event the City annexes any property located within the WFSA, said property will automatically be excluded from the WFSA effective January 1 of the year following the year in which annexation occurred. Pursuant to this section, any properties within the WFSA which are annexed into the City will continue to be responsible for payments of charges to the WFSA attributable to the full year during which the annexation occurred. On January 1 of the year following the date of annexation, said property will be subject to City property taxes and will no longer be required to pay charges for services provided through the WFSA.

**TERM:** This agreement shall commence on July 1, 2024, and terminate on June 30, 2030. It may be renewed by the parties thereafter as they may mutually agree in writing. This agreement may be canceled by either party upon thirty (30) days' written notice given to the other party by certified mail or personal service at the addresses shown below; provided, however, that no cancellation of this agreement by the County will obligate the City to refund any portion of the fee paid hereunder which may have been previously paid by the County to the City. For purposes of the notice requirements of this agreement, any notice will be deemed sufficient if it is deposited in the United States mail, postage prepaid, addressed as follows:



**CITY MANAGER**

**City-County Building  
316 North Park Avenue Helena, MT 59623**

**LEWIS & CLARK COUNTY COMMISSION**

**City-County Building  
316 North Park Avenue Helena, MT 59623**

**CHARGES AND PAYMENT:** The fee for providing services hereunder shall be the amount collected by the County from the Westside Fire Service Area for each fiscal year. Assessments per structure in the Fire Service Area are addressed in County Resolution 2001-86 and are based on the taxable value per structure. This fee will be paid in no less than two (2) installments each year during the term of this agreement, with a payment being due on or before December 31st and a subsequent payment by June 30th. The County will remit the existing cash balance of the fund with each payment.

**INDEPENDENT CONTRACTOR:** For purposes of this agreement, the City shall be regarded as an independent contractor providing the fire services described herein to the WFSA. All decisions as to the type and amount of equipment used, the number of personnel, the firefighting techniques employed, and whether to respond to a particular call shall be made by the City Fire Chief or his designee. The WFSA and the County will not exercise any supervision, control, or discretion over the City's Fire Department pursuant to this agreement.

**STANDARD OF PERFORMANCE:** It is understood by the parties hereto that a fire may not be as easily suppressed in the WFSA as in the City limits due to the infrastructure limitations that exist. The County understands that the primary obligation of the City is to provide fire protection within its corporate limits. Therefore, the County agrees that should the City be unable to provide firefighters and apparatus due to the commitment of the Fire Department to emergencies within the corporate limits of the City, it will not require the City to answer any call it may have and will not make any claim against the City for the failure of the City to answer a fire call in such circumstances. In the event of the passage of any laws, either by

the State Legislature or by the people through the initiative process, which would require the City to make significant reductions or additions in Fire Department staffing, equipment, stations, or other facilities from current levels, then this agreement shall be re-negotiated. In the event the parties cannot reach a new agreement, this agreement shall be terminated.

**MODIFICATION:** This agreement may not be modified or amended unless reduced to writing and executed by all parties.

By: \_\_\_\_\_  
Tim Burton, City Manager

\_\_\_\_\_  
Date

ATTEST:

By: \_\_\_\_\_  
Clerk of the Commission

\_\_\_\_\_  
Date

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Rebecca Dockter, City Attorney

\_\_\_\_\_  
Date

LEWIS AND CLARK COUNTY COMMISSION

By: \_\_\_\_\_  
Andy Hunthausen, Chair of the Board of Commissioners      Date \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Clerk of the Board of Commissioners      Date \_\_\_\_\_

# Discussion of the Need for a Reevaluation of HUD's Section 8 Fair Market Rents Lewis and Clark County

EDITOR'S PICK ALERT

# Lewis and Clark County rent increase rate among highest in nation

Phil Drake May 2, 2022 19

Washington Post , April 21, 2022

Lewis and Clark County 5<sup>th</sup> highest county percentage rent growth in United States

## Counties with the fastest rent growth

Change in rent from the first quarter of 2020 to the first quarter of 2022

Search in table

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COUNTY	STATE	RENT	CHANGE DURING THE PANDEMIC
Chambers County	Ala.	\$1,156	44%
Rockdale County	Ga.	\$1,423	40%
Collier County	Fla.	\$1,991	39%
Limestone County	Ala.	\$912	37%
Lewis and Clark County	Mont.	\$1,263	37%
Manatee County	Fla.	\$1,766	35%
Coweta County	Ga.	\$1,474	34%
Sarasota County	Fla.	\$2,030	34%
Otsego County	Mich.	\$790	33%
Walton County	Fla.	\$1,888	33%
Palm Beach County	Fla.	\$2,158	32%
Henry County	Ga.	\$1,523	32%
Pasco County	Fla.	\$1,455	31%
Douglas County	Ga.	\$1,428	31%
Wells County	Ind.	\$504	31%

Note: Price estimates are for multi-family rentals in counties with at least 1,000 units

<https://www.washingtonpost.com/business/interactive/2022/rising-rent-prices/>

From 2015 to 2019, single-family home sales prices within a 15-mile radius of Helena grew from \$225,000 to \$280,000. Prices reached \$317,000 in 2020, \$399,859 in 2021 and \$460,000 in 2022.

## Helena area median home price



Source: True Footage Inc.

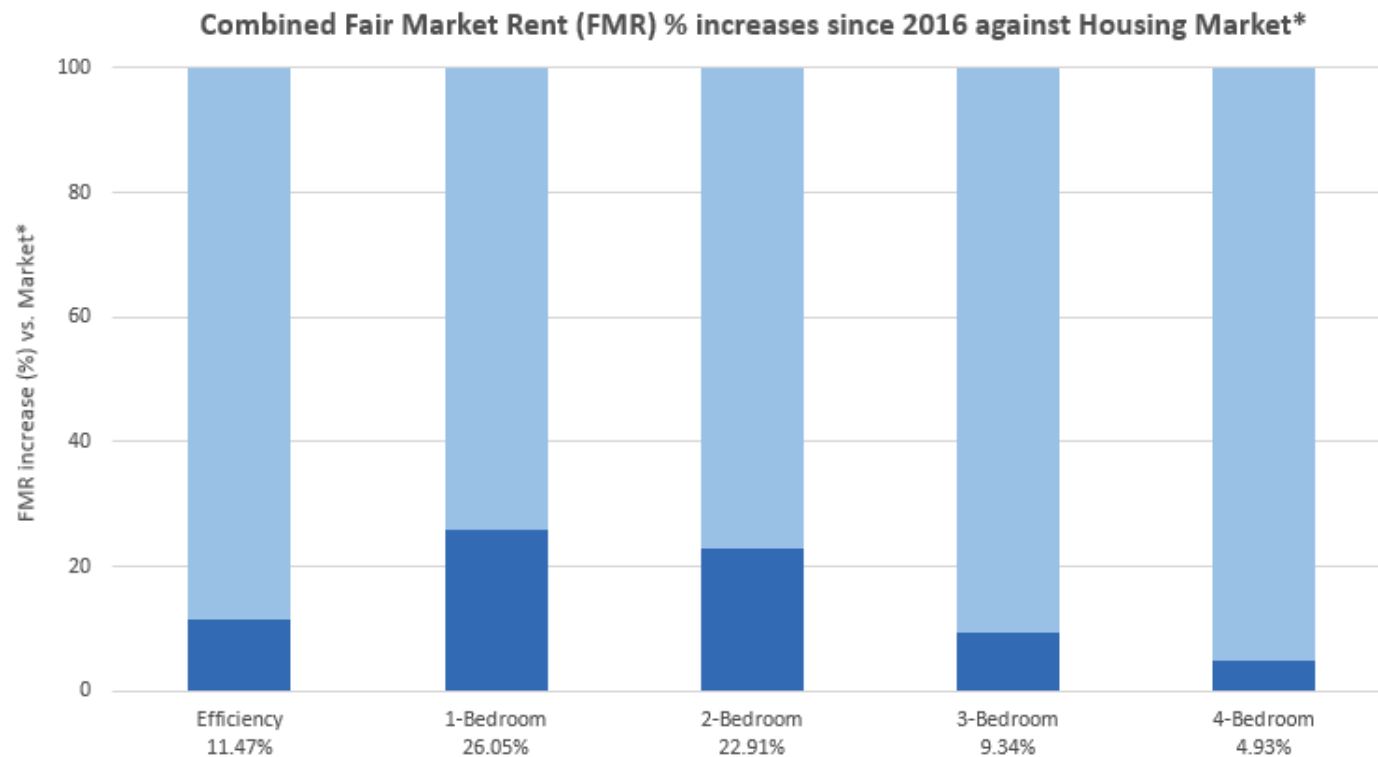
Page 32 of 46  
Lee Enterprises graphic; Adobe Stock

Helena Independent  
Record, January 12, 2023

# Definition: Fair Market Rents (FMRs)

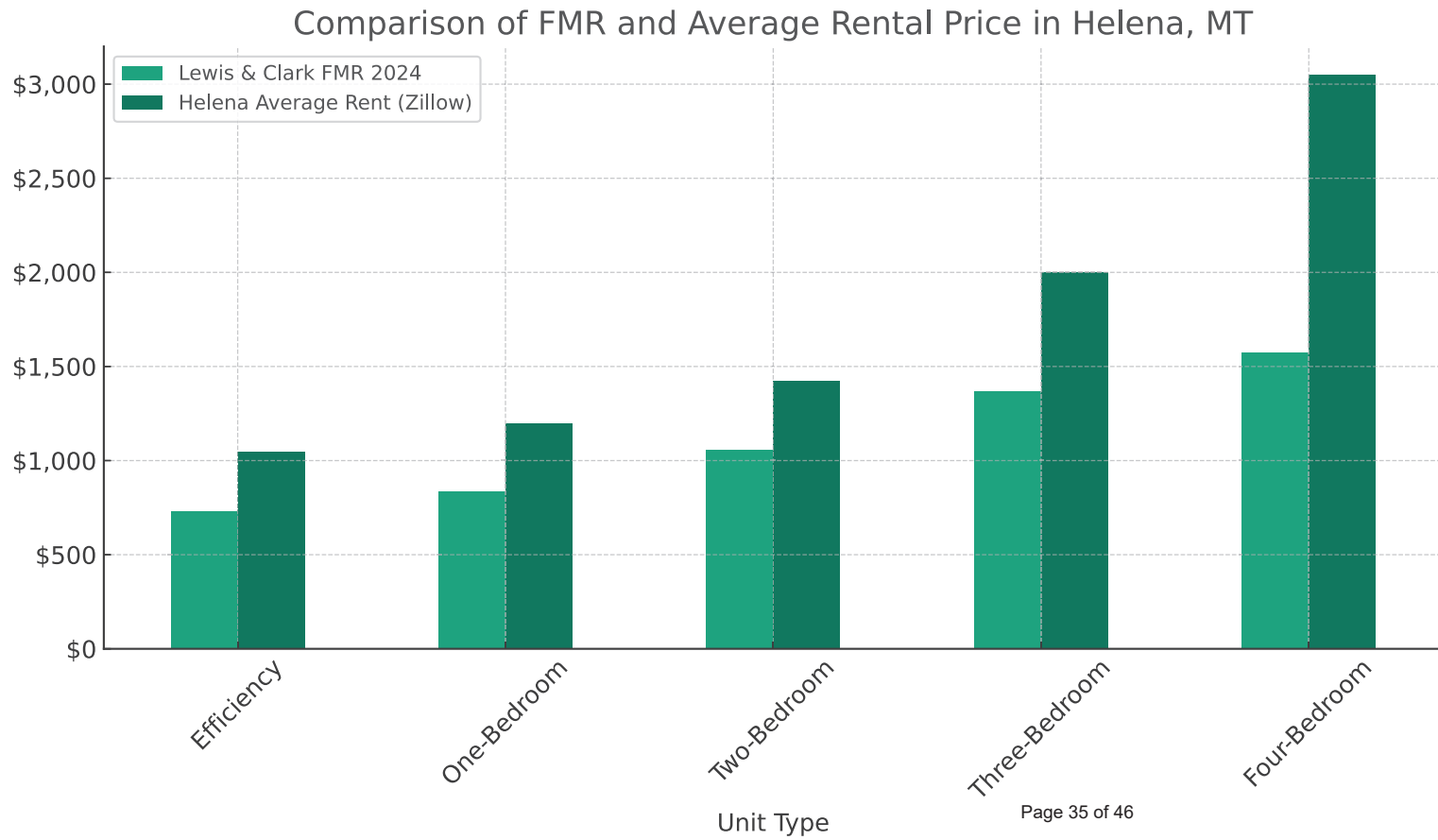
- **Fair Market Rents (FMRs)** are used to determine payment standard amounts for the Housing Choice Voucher program, initial renewal rents for some expiring project-based Section 8 contracts, initial rents for housing assistance payment (HAP) contracts in the Moderate Rehabilitation Single Room Occupancy program (Mod Rehab), rent ceilings for rental units in both the HOME Investment Partnerships program and the Emergency Solutions Grants program, maximum award amounts for Continuum of Care recipients and the maximum amount of rent a recipient may pay for property leased with Continuum of Care funds, and flat rents in Public Housing units. Fair Market Rents, as defined in [24 CFR 888.113](#) are estimates of 40th percentile gross rents for standard quality units within a metropolitan area or nonmetropolitan county.

<https://www.huduser.gov/portal/datasets/fmr.html#documents> 2024

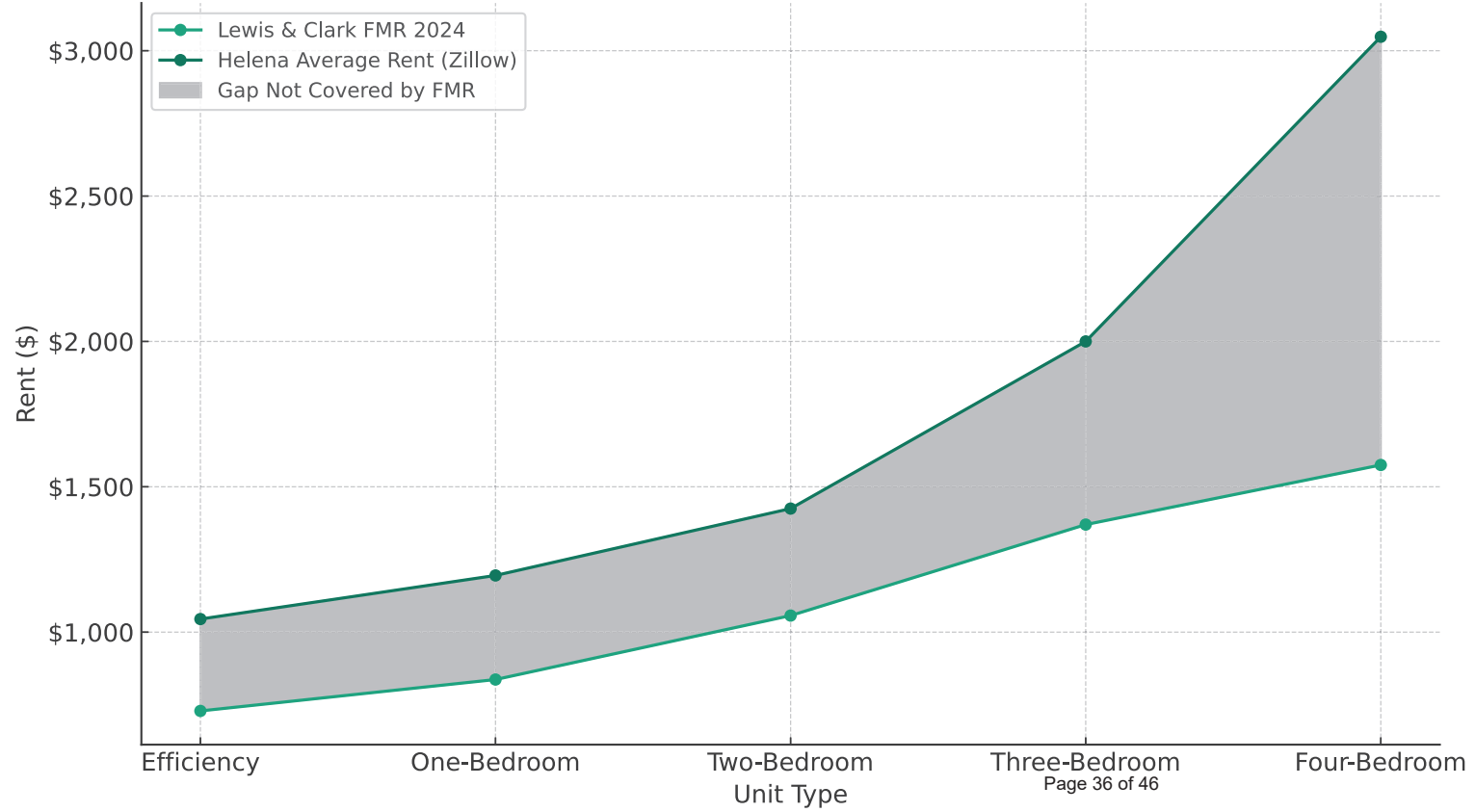


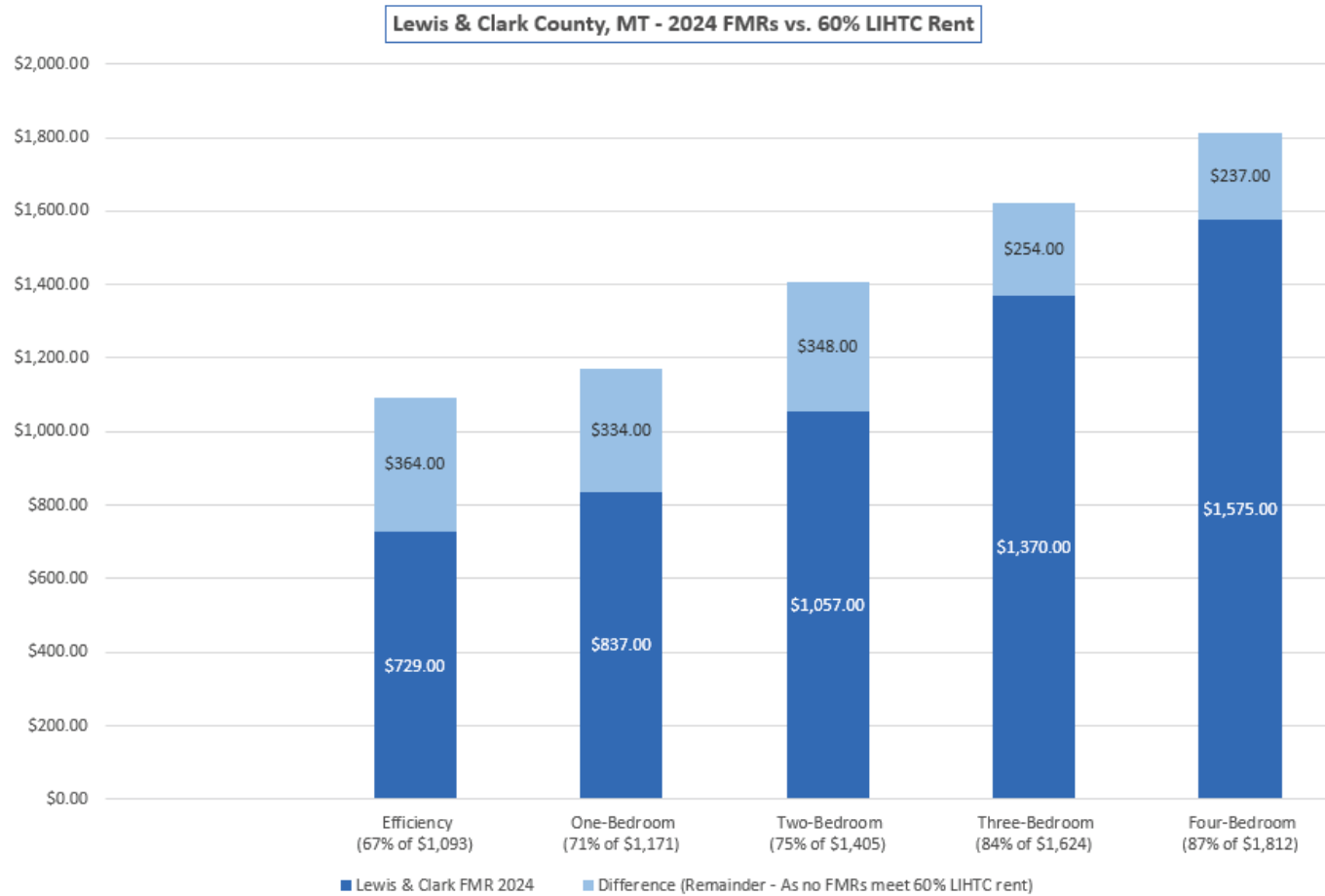
\*Percentage increase in FMRs charted against assumed market doubling (100% increase)

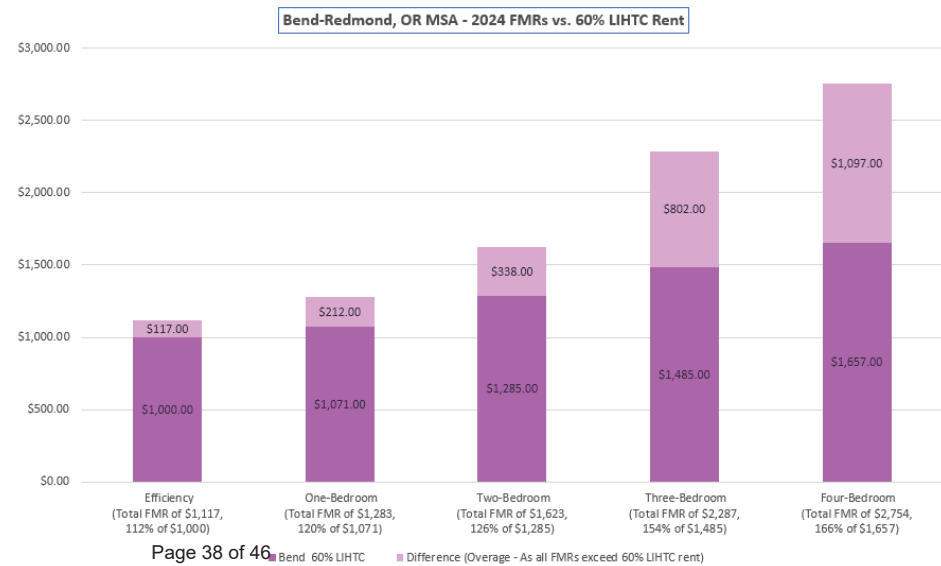
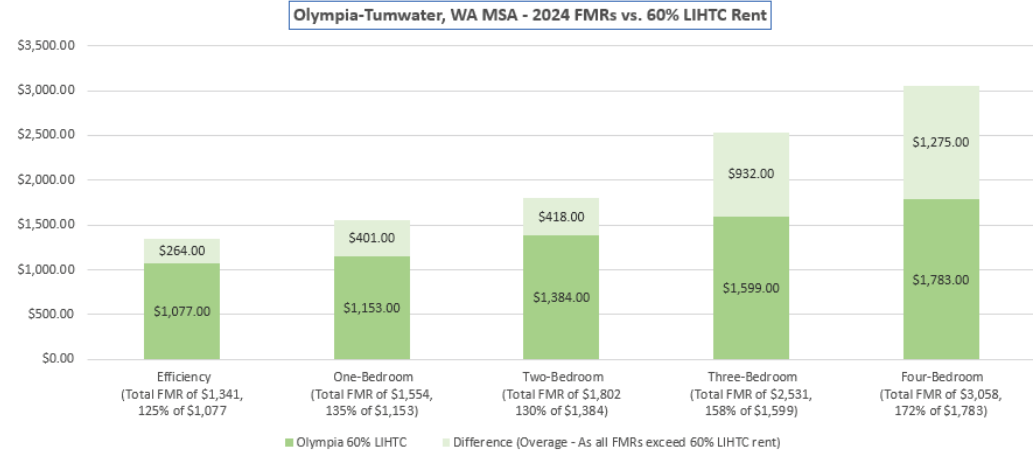
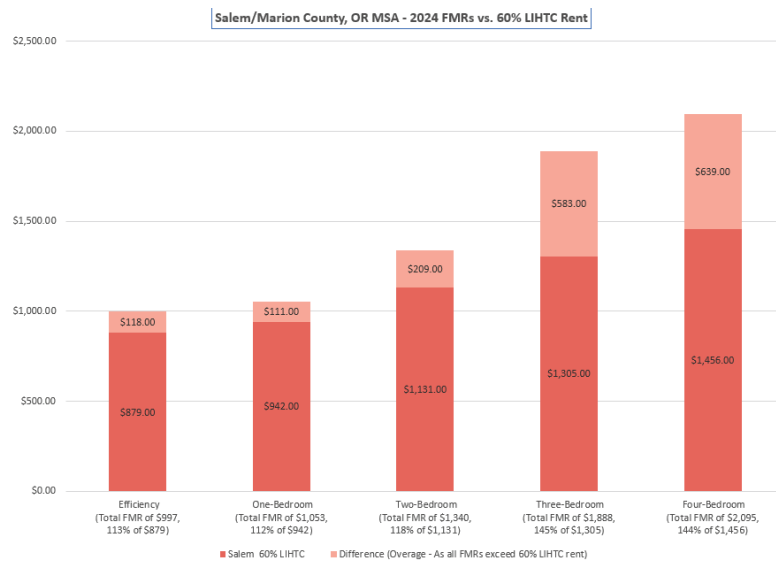
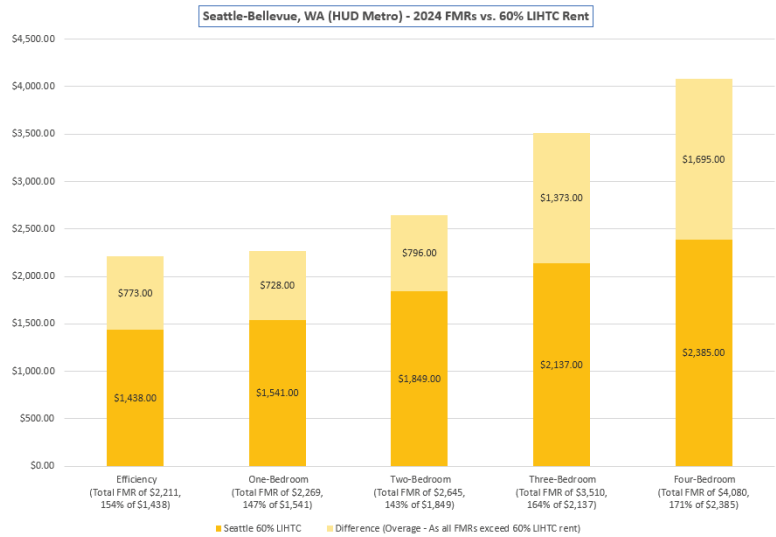


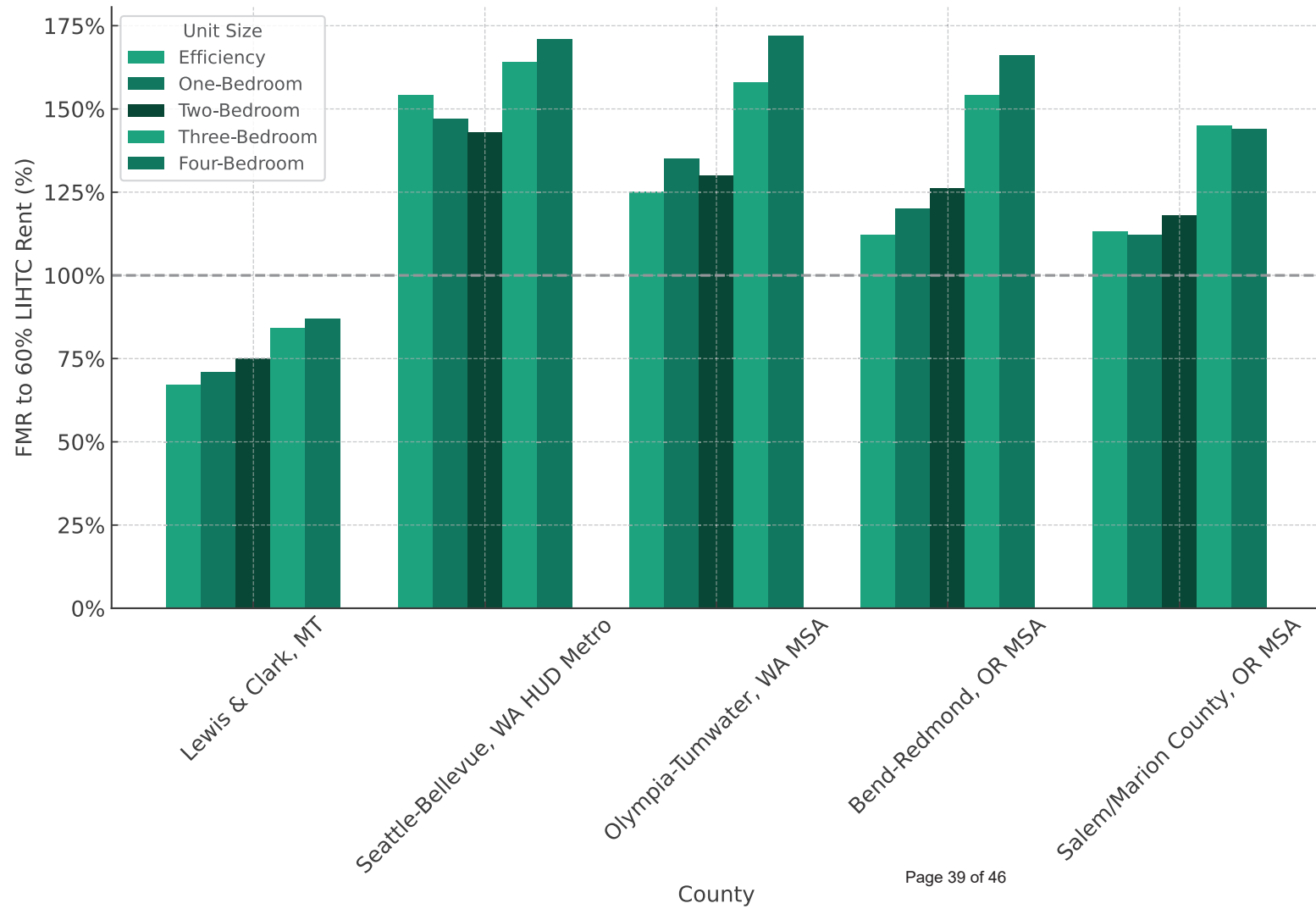


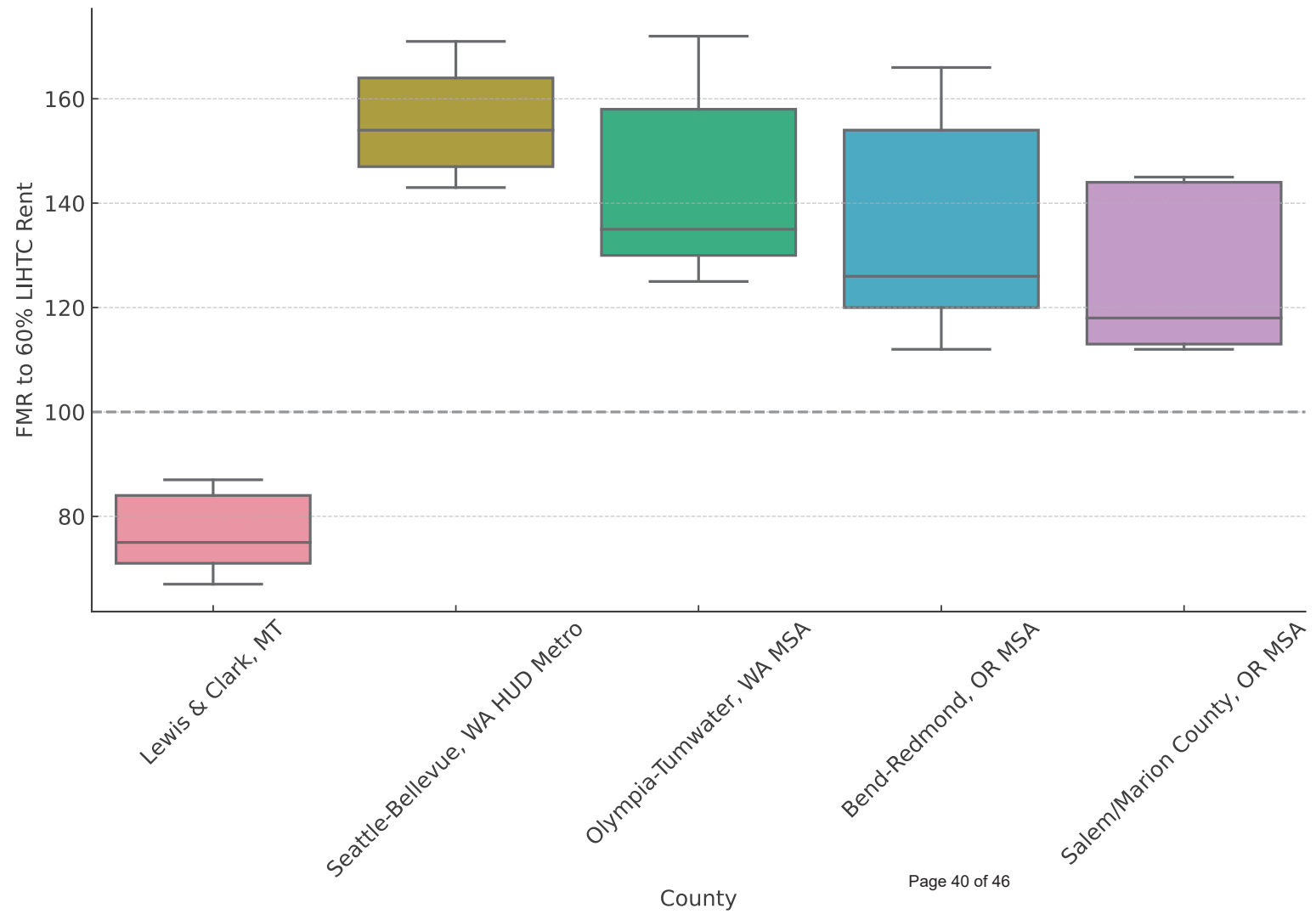
Gap Between FMR and Average Rental Prices in Helena, MT











# We need your help.

FMR's are a fundamental metric in establishing critical housing assistance programs assistance levels. FMR's have consistently been below market rents in Lewis and Clark County and across Montana for many years- Lewis and Clark County has experienced rent and other housing costs doubling over the last 8 years, and market rents increasing by over 50% in just the last few years.

In fact, Lewis and Clark County has the largest gap between its FMR's and 60% Low Income Housing Tax Credit Rents than any county in Montana. This means that voucher holders are not able to even rent the units that are built as affordable in our community under the LIHTC program.

HHA and MDOC are experiencing low HCV participant success rates and lower utilization due to the FMRs being set well below our local market contributing to the housing emergency we are facing. HUD is recapturing our HAP funding allocations. Program participants are unable to rent homes because the FMR's are set too low. Landlords are not being paid the rent levels that they should that supports their participation in the HCV programs.

# We need your help.

Lewis and Clark County is allocated roughly 692 Tenant Based HCV vouchers which can be used to rent affordable homes from participating landlords.

L&C County also has roughly 200 plus project-based vouchers. Federal HOME funded projects rents are also established based on FMRs.

In addition, L&C county also receives emergency homeless funding also tied to local FMRs. Lewis and Clark County has over a 1,000 units currently that are supported by FMR based rental assistance.

If FMRs are hundreds of dollars below what the market is then it means that our local community, program participants, and landlords are missing out on hundreds of thousands of federal dollars every year that we should be receiving to provide housing and to pay landlords in our area.



# We need your help.

In addition, Helena Housing Authority (HHA) is currently working through the HUD Public Housing Repositioning process.

Through this process, HHA will gain legal ownership of its public housing properties. HHA is pursuing a repositioning strategy that could result in HHA receiving 110% FMR Project Based Vouchers for each of its 366 public housing units. The currently low FMRs if reevaluated would bring PBV rent subsidies up significantly to support HHA increased mortgage financing to recapitalize its rehabilitation of all of its public housing portfolio.

**Each 10% increase in the L&C County FMR would support an additional \$18,000 to \$22,000 per unit in 30 year low interest financing : An additional potential \$6.5 million in mortgage financing to support renovations and improvements of the entire HHA 366 unit public housing portfolio.**

**Each 10% increase in FMR would similarly support additional HCV program participating landlord property improvements or mortgage payments.**

# We need your help.

Public Housing Authorities are allowed to request a FMR Re-evaluation requesting that HUD revise their FMR using additional statistical data. Gathering this statistical data requires housing agencies to conduct expensive surveys to collect rent data across relevant geographic FMR areas.

[https://www.huduser.gov/portal/datasets/fmr.html#survey\\_info](https://www.huduser.gov/portal/datasets/fmr.html#survey_info)

<https://www.huduser.gov/portal/datasets/fmr/FMR-Reevaluation-FAQs.pdf>

[https://www.huduser.gov/portal/datasets/fmr/Mail\\_Survey\\_corrected.pdf](https://www.huduser.gov/portal/datasets/fmr/Mail_Survey_corrected.pdf)

The expense of conducting a statistically valid rent survey data project is the primary barrier for addressing FMR concerns. **It could cost upwards of \$100,000 to complete a study in our Helena area .** We want to explore a cost share arrangement between the city, county, HHA, and the state of Montana Department of Commerce Section 8 program to conduct a successful FMR reevaluation for our area.

Conducting a proper statistically valid rent survey data project has significant technical challenges as well.

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# We need your help.

We have requested HUD Technical Assistance to support our FMR Reevaluation project. HUD Headquarters has conditionally approved our TA request to provide technical support of our efforts to complete FMR reevaluations here in Montana.

If we are able to put together funding, we would issue a RFQ for a qualified, experienced firm to complete the work. It is a particularly technical econometrics survey project that requires specialized expertise to obtain the minimum statistically valid sample. Obtaining a valid sample is challenging due to our small population.

We have talked to a few PHA's that have conducted successful FMR reevaluations in smaller populations areas. They report that the investment in fixing the FMRs made a major difference in addressing housing needs in their areas.

Ward County, ND (Minot, ND area) completed a FMR revaluation in 2012 and saw FMRs increase ranging from 48% to 72%. Kitsap County, WA (Bremerton, WA) conducted a FMR reevaluation in 2021. They saw FMR's increase 16% to 21%.

Both agencies reported that the increased FMR's immediately helped local eligible program participants to better obtain housing, allowing more vouchers to be successfully used, and attracting more landlords to participate in the program. In addition, the higher FMR's also attracted developers who built additional rental units to take advantage of the higher rents made possible through the increased FMRs.



**JOINT BUDGET SESSION**  
**CITY OF HELENA - LEWIS AND CLARK COUNTY**  
**April 2, 2024**  
**3:00 p.m.**



## AGENDA

1. 3:05 Support Services and 911
2. 3:20 HATS/East Valley Bus System
3. 3:35 City County Building Administration
4. 3:50 HCTV- Public Television
5. 4:05 Information Technology & Services
6. 4:20 Lewis and Clark Humane Society
7. 4:35 Lewis & Clark Library
8. 4:50 Youth & Adult community Service Program
9. 5:05 Historic Preservation- operations and projects

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### ADA NOTICE

Lewis and Clark County and the City of Helena are committed to providing access to persons with disabilities for meetings, in compliance with Title II of the Americans with Disabilities Act and the Montana Human Rights Act. The County and City will not exclude persons with disabilities from participation at their meetings or otherwise deny them access to City or County's services, programs, or activities.

Persons with disabilities requiring accommodations to participate in the County's meetings, services, programs, or activities should contact Keni Grose, as soon as possible to allow sufficient time to arrange for the requested accommodation, at any of the following: (406) 447-8316; TTY Relay Service 1-800-253-4091 or 711; [KGROSE@lccountymt.gov](mailto:KGROSE@lccountymt.gov); 316 N Park, Room 3.

Persons with disabilities requiring accommodations to participate in the city's meetings, services, programs, or activities should contact the city's ADA Coordinator, Ellie Ray, as soon as possible to allow sufficient time to arrange for the requested accommodation, at any of the following: Phone: (406) 447- 8490; TTY Relay Service 1-800-253-4091 or 711; Email: [citycommunitydevelopment@helenamt.gov](mailto:citycommunitydevelopment@helenamt.gov); Mailing Address & Physical Location: 316 North Park, Avenue, Room 445, Helena, MT 59623.