



## Four Elements of a Successful Housing Task Force: Lessons from the Montana Miracle

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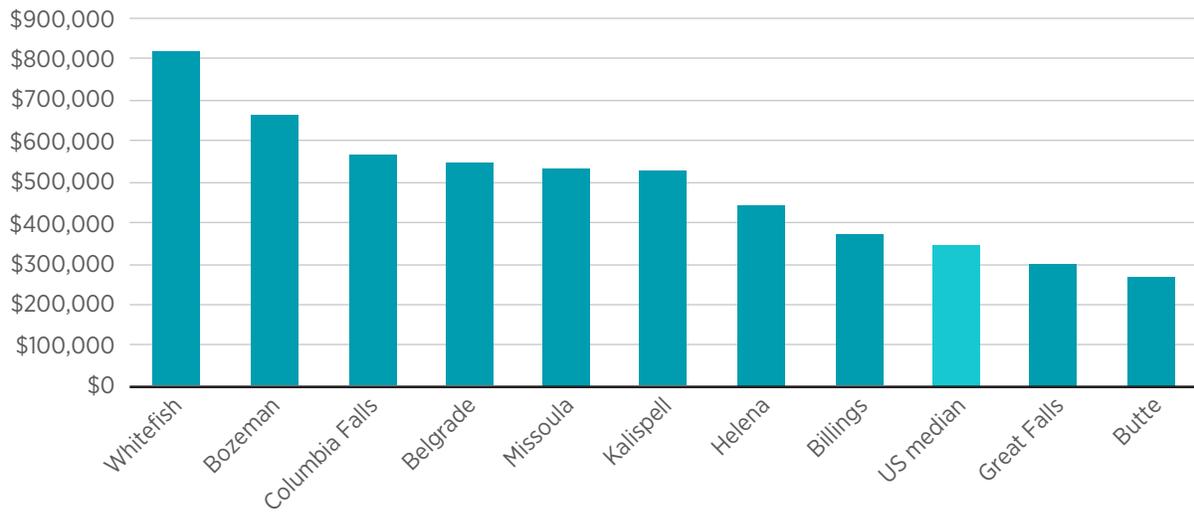
Together with leaders in the state legislature, Montana governor Greg Gianforte successfully passed an important package of bills that will make it easier to build more and less-expensive housing. Journalist Kriston Capps coined the phrase “Montana Miracle” to capture just how much the legislature did to roll back local barriers to housing construction in a single year.<sup>1</sup> Before the legislative session began, Gianforte issued an executive order to establish the Governor’s Housing Task Force, which I served on.<sup>2</sup> Specific features of the task force’s design and leadership contributed to making it an effective force for change, and it provides a model to other states where policymakers are seeking to remove barriers to housing construction.

### **BACKGROUND**

As in many parts of the US, housing in Montana has become increasingly unaffordable to low- and middle-income households. Until 2008, housing in Montana was generally less expensive than the national average, but since then Montana housing prices have passed the national average. In parts of the state, including Bozeman, the median house is worth double the national median. Figure 1 shows how prices vary across the state’s cities. The median Montana household earns \$60,000 annually, meaning that many households are shut out of homeownership.

Local zoning rules—including apartment bans, minimum lot size requirements, and single-family zoning—and slow permit approval processes are key barriers to new housing supply and key drivers of high and rising prices. Policymakers across the political spectrum went into Montana’s 2023 legislative session acutely aware of the housing affordability challenge facing their constituents. The bills that they passed include limits on the extent to which local zoning rules may stand in the way of relatively low-cost housing construction. For example, a new law requires cities to allow

**Figure 1.** Median House Price in Montana Cities, 2023



Source: Zillow Research, Housing Data (database), “ZHVI All Homes Time Series (\$),” accessed May 2023, <https://www.zillow.com/research/data/>.

multifamily housing in their commercial zones, and another requires cities to allow duplexes to be built where local zoning allowed single-family houses. Additionally, a new law requires localities to plan for housing supply growth and to streamline permit approvals.

Governor Gianforte made it clear that addressing regulatory barriers to housing construction—including local zoning that bans apartments and stands in the way of starter home construction, along with slow and unpredictable housing permit approval processes—was a top priority for his administration. The task force was instructed to publish two reports, one with recommendations for state-level legislation to increase housing supply and improve affordability and one with recommendations that local governments and state agencies could implement.<sup>3</sup>

Some of Montana’s task force recommendations and new laws are inspired by reforms implemented successfully in other states. Two new laws resemble bills that legislators introduced in Montana in past sessions.<sup>4</sup> It’s unclear what specific bills would have passed absent the task force’s work, but various observers have attributed a portion of the reform’s success to the task force’s work.<sup>5</sup>

At any point in time, many states have official or unofficial task forces working on housing affordability. Specific characteristics of the Montana Governor’s Housing Task Force helped make it particularly effective, and these characteristics could be adopted by any policymakers seeking to create positive conditions for housing reform. These elements include having (1) a large number of members, (2) a clear assignment with a tight deadline, (3) effective leadership that identified

ways to make the job manageable, and (4) a format for public engagement that created allies for the cause.

## **BROAD MEMBERSHIP**

The executive order that established the task force called for a group with up to 30 members, including representatives of industry groups; representatives of state agencies; state and local elected officials; members of state boards, councils, and commissions; subject matter experts; and other stakeholders.<sup>6</sup> Ultimately 26 people served on the task force, including representatives of all these interests, a Republican and a Democrat from the state house of representatives, and a Republican and a Democrat from the state senate.

Members also included leaders from the Frontier Institute and Shelter WF, right- and left-leaning organizations dedicated to reducing barriers to housing construction. In addition to contributing to the task force's work, representatives of these groups provided research on housing policy in Montana and helped drive media coverage of the housing agenda before and during the 2023 session. They shored up support for the housing package across the legislature.

The diversity of perspectives represented on the task force meant that its recommendations had broad buy-in from the elected officials and pressure groups that would be important for turning the recommendations into laws. While members appointed to the task force disagreed about the right specific path to housing abundance, we generally agreed that the state needed regulatory reforms that would make more housing construction at lower prices possible. No one on the task force voiced support for maintaining the status quo in land use regulations and the permit approval process in order to broadly preserve Montana neighborhoods' character, a view that some people in the state's fast-growing cities do hold.<sup>7</sup>

## **A SPECIFIC ASSIGNMENT WITH A DEADLINE**

The executive order that created the task force gave it a clear job to do and a tight time frame in which to do it. The task force members, with the help of staff from the Montana Department of Environmental Quality, had just five months from the date the executive order was signed to publish two reports. At each stage of the project, the executive order required them to seek input from stakeholders and from members of the public.

This tight time frame focused the minds of task force members and required the group to work efficiently to complete the required reports. By giving the group a deadline, the governor distinguished it from other housing working groups that may develop important policy insights but lack the urgency that Montana has demonstrated to generate recommendations and act on those recommendations.<sup>8</sup>

## **STRONG LEADERSHIP AND HEALTHY DISSENT**

Governor Gianforte appointed Chris Dorrington, the director of the Montana Department of Environmental Quality, to be chair of the task force. Chair Dorrington developed policies that allowed the large task force to work effectively. First, he appointed members to lead subtask groups. These subtask groups held additional public meetings to supplement the public meetings held by the task force as a whole, creating further opportunities for stakeholder engagement on granular policy issues. On the basis of these discussions, the leaders of the subtask groups ultimately identified recommendations to include in each report. They also drafted these recommendations, so the entire report didn't need to be written by committee.

Second, Chair Dorrington allowed space for a “dissent” under each recommendation. The most vigorous debate among members centered on whether state preemption of specific local zoning rules was appropriate. Ever since zoning emerged in the US a century ago, land use regulation in the US has largely been the domain of local government. But, as housing affordability becomes an ever greater challenge around the country, some state policymakers have stepped in to set limits on this authority. Because localities get their authority to regulate land use from their states, state policymakers are on strong legal ground when they do so. But this approach has nonetheless been controversial.

Including dissenting opinions within the task force reports created the opportunity to offer recommendations for preemption while acknowledging that not all members supported this approach. The dissents also provided policymakers with a range of views on the recommendations in the reports. The task force ultimately made several recommendations for preemption, three of which were implemented in legislation.

## **CREATING A BIG TENT FOR HOUSING**

The task force's openness to the public helped create allies in the pro-housing effort. Pressure groups that have stood in the way of statewide land use reforms in other states helped to lead them in Montana. Elsewhere, lobbyists for local government have been the major political obstacle to new state limits on local zoning rules that block housing construction.<sup>9</sup> While the Montana League of Cities and Towns did oppose some of Montana's preemption bills, the league's executive director also developed recommendations for streamlining development approvals. These recommendations were reflected in the report and ultimately in a new law.

Elsewhere, unofficial task forces have operated with much less transparency. Legislators' ability to have closed-door conversations with stakeholders plays a crucial role in policymaking and can create opportunities for compromise and bipartisanship. Montana demonstrates that an open process has benefits as well.

## RESULTS

Seven new housing laws make up the “Montana Miracle.” All of them directly reflect specific task force recommendations and the broader spirit of the task force’s work.<sup>10</sup> The task force’s two reports provide dozens of other ideas for improving housing abundance at the state and local levels—ideas that could be implemented in Montana or elsewhere. Recently, Governor Gianforte announced that the task force will remain active through 2025 to continue identifying opportunities to increase housing supply and improve housing affordability.

## A MODEL FOR THE MIRACLE

All major legislative efforts include formal or informal working groups of legislators and others that help shape what will be introduced in bills and ultimately what will pass. The Montana model has the advantage of creating positive momentum and a broad contingent behind reforms intended to make it possible to build more housing at lower prices.

The task force’s open, transparent process played a role in the success of a package of wide-ranging reforms. We can expect these reforms to make a meaningful contribution to housing supply in the Big Sky State, but the specific characteristics of the Montana task force and its report-writing process also serve as a strong model for achieving housing reforms elsewhere. Governors or legislators in other states could follow the model Governor Gianforte demonstrated in Montana to create effective housing task forces in their own states.

## ABOUT THE AUTHORS

Emily Hamilton is a research fellow at the Mercatus Center at George Mason University. Her research focuses on urban economics and land use policy. Hamilton has testified before several state legislatures as well as the US House of Representatives. Hamilton serves on the Advisory Boards of Up for Growth and *Cityscape*, a journal published by the Department of Housing and Urban Development.

## NOTES

1. Kriston Capps, “How YIMBYs Won Montana,” *Bloomberg CityLab*, April 28, 2023.
2. State of Montana, Office of the Governor, Executive Order No. 5-2022 (July 13, 2022).
3. Governor’s Housing Task Force, “Recommendations for the Legislature and Governor,” October 15, 2022; Governor’s Housing Task Force, “Recommendations for State Agencies and Local Government,” December 15, 2022.
4. S.B. 323 and S.B. 528 from the 2023 session are similar to failed bills H.B. 134 and S.B. 397 from the 2021 session.
5. Eliza Relman, “Montana Republicans Are Appealing to Anti-California Sentiment to Pass a Slew of Bipartisan Pro-housing Policies,” *Insider*, April 14, 2023.

6. State of Montana, Executive Order No. 5-2022.
7. Nora Shelly, "As Bozeman's Growth Moves Fast, Residents Bristle," *Bozeman Daily Chronicle*, February 20, 2022.
8. For example, Utah has a standing Commission on Housing Affordability that lacks a clear, time-constrained objective.
9. Christian Britschgi, "NIMBY Cities Are Using Your Tax Dollars to Lobby against New Housing," *Reason*, June 1, 2023.
10. The seven bills from the Montana 68th Legislature (2023) are H.B. 211, H.B. 819, S.B. 245, S.B. 323, S.B. 382, S.B. 407, and S.B. 528. These reflect specific recommendations from the October task force report: recommendations 1B (H.B. 819), 2B (S.B. 528), 2C (S.B. 382), 3A (H.B. 211), 3B (S.B. 323), and 3C (S.B. 407). In addition, S.B. 245 reflects recommendation 1A from the December task force report.