

2025 HOUSING ACTION PLAN

MADISON COUNTY, MONTANA



Map of Madison County, Montana

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1. Acknowledgements

Creation of this Plan was a collaborative effort between the Madison County Housing Advisory Board (HAB) and the residents of Madison County, with a specific focus on the housing needs of the four incorporated communities within the county, Ennis, Virginia City, Sheridan, and Twin Bridges. The following individuals and organizations provided leadership and guidance throughout this planning effort.

Madison County Housing Advisory Board

Mary Beth Walsh, Chair
David O'Connor, Vice Chair
Martha Klaumann, Secretary
Dawn Conklin, Board Member
Jaime Edmundson, Board Member
Amy Grice, Board Member
Michelle Schriock, Board Member
Ray Shaw, Board Member

Madison County Commissioners

Dan Allhands, District 1 (Retired)
Duke Gilman, District 1
Ron Nye, District 2
Bill Todd, Chairman, District 3

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Allen Rohrback, CEO Madison Valley Medical Center
Jim Gillhouse, CEO Ruby Valley Medical Center
Jared Moretti, Superintendent Ennis School District
Rod Stout, Superintendent Sheridan School District
Chris Gentry, Madison Foods, Ennis

2. Introduction

In recent years, Madison County, like much of Montana, has experienced affordable housing challenges tied to significant population growth throughout the region. These challenges include rapidly increasing housing costs relative to only modest increases in local household incomes, resulting in a major shortage of affordable housing for low to moderate income families - the core of the local workforce.

Much of this influx in population was tied to the COVID-19 pandemic, starting in 2020. Over the ensuing 5-years, the state witnessed an unprecedented increase in new residents, typically from higher income areas. As the county population grew, averaging 2.4% annually (2022 American Community Survey), competition for existing housing units increased substantially. Combined with the limited availability of vacant land and building contractors to construct new units, this imbalance has caused housing prices to skyrocket, especially in western Montana. Over this period, Madison County, due to its close proximity to Bozeman and the overall Big Sky phenomenon, was especially impacted with purchase prices and rental costs for housing more than doubling - abruptly changing the economics of this traditionally affordable rural area. Simply put, the ability to rent - let alone purchase, housing is currently outside of the normal budgets of many local residents.

In response to these challenges, the Madison County Housing Advisory Board (HAB) commissioned preparation of the 2023 Madison County Housing Needs Assessment Report (Housing Needs Assessment). The HAB, a 9-member board of local residents, was established in 2018 by the Madison County Board of Commissioners,

“...for the purpose of identifying the housing needs in Madison County and to help set priorities for public funded housing developments in Madison County. The Housing Board will develop relationships with successful high performance housing programs, including workforce housing programs, and housing programs for low- and moderate-income households enabling it to represent citizens and take action on increasing the housing quality and quantity in Madison County”.

Over the course of a year-long inquiry, the Housing Needs Assessment systematically analyzed the county’s existing housing supply, estimated future housing needs, identified constraints impeding the creation of new housing units, and recommended steps to begin addressing countywide housing concerns. One of the principal recommendations from the report was the creation of a Housing Advocate/Coordinator position to assist the HAB in developing and implementing a comprehensive housing strategy for Madison County.

In July 2024, as a joint venture with the Northern Rocky Mountain Economic Development District (NRMEDD) the HAB created and filled the contracted full-time position of Housing Coordinator. Since then, the Housing Coordinator has worked with the HAB to research strategies employed by other Montana counties and communities, gather further input from local stakeholders on their specific housing needs and opportunities, inventory existing parcels of land suitable for affordable housing development, and prepared this Housing Action Plan. As a supplement to the Housing Needs Assessment, the Plan presents specific recommendations for housing policies and programs for implementation by the county.

3. Key Terms

AFFORDABLE HOUSING OR “HOMES RESIDENTS CAN AFFORD”

Affordable housing is relative to household income. This assessment uses the standard of the monthly rent or mortgage payment being equal to or less than 30% of gross household income (before taxes) for renters towards contract rent and utilities and 33% of gross income towards the mortgage, insurance, taxes, utilities, and condominium association fees, if applicable, for owners.

AMERICAN COMMUNITY SURVEY (ACS)

The ACS is part of the Decennial Census Program of the US Census. The survey was fully implemented in 2005, replacing the decennial census long-form, and has been administered annually since. Typically, ACS data for localities represent the aggregate results of five years of responses; for example, the 2022 ACS cited in this report reflects data collected between 2018 and 2022. In smaller population areas (under 65,000 persons) and rural settings this data is best suited for monitoring general changes over time rather than for precise estimates due to limited data samples and margins of error.

AREA MEDIAN INCOME (AMI)

The AMI is a Housing and Urban Development (HUD) calculation of the midpoint of a region’s household income distribution. This metric is a common tool for setting household income limits in affordable housing programs. AMI varies by household size and is published each year by HUD for households at various income levels, as follows:

- Extremely Low Income – At or below 30% AMI
- Very Low Income –Between 31% and 50% AMI
- Low Income – From 51% to 80% AMI
- Moderate Income – From 81% to 100% AMI

AVERAGE HOUSEHOLD SIZE

This refers to the number of persons living in a housing unit, including all adults (employed or not) and children.

COMMUNITY LAND TRUST (CLT)

A CLT is a community-based organization established to serve as the long-term steward of the land and to protect long-term affordability and access to housing for the community.

COST-BURDENED

When housing costs exceed 30% - 33% of a household's gross (pre-tax) income.

DEED RESTRICTIONS

A covenant that imposes requirements for land use that sets restrictions for tenant or owner eligibility standards to ensure long-term affordability.

HOUSING CHOICE VOUCHER

The housing choice voucher program (also referred to as Section 8 Housing Choice Vouchers) is the federal government's largest rental assistance program for assisting very low-income families, the elderly, and people with disabilities to afford decent, safe, and sanitary housing in the private market. Since housing assistance through the housing choice voucher program is provided on behalf of a family or individual directly to the owner of a rental unit of their choice, participants can find their own housing, including single-family homes, townhouses, and apartments.

LOW-INCOME HOUSING TAX CREDIT (LIHTC)

The LIHTC is the largest federal subsidy program for the development of affordable rental housing through new construction and substantial rehabilitation. Generally allocated by state housing finance agencies, it subsidizes the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants.

MARKET RATE

Housing with no restrictions; property owners or sellers are free to set prices.

RESIDENT-OWNED COOPERATIVE (ROC)

In resident-owned manufactured housing communities, the lot rent goes to the resident cooperative and is managed to meet community needs and maintain affordability.

RENT-RESTRICTED HOUSING

A kind of low or moderate-income housing that rents below market to households earning a certain percentage of the AMI.

SHORT-TERM RENTAL (STR)

STRs in Montana are defined as a unit with a rental period of fewer than 30 consecutive days.

WORKFORCE HOUSING

A broad term typically used for housing for employees earning local wages and may or may not include housing for rent or sale below market rates.

4. Planning Process & Methodology

Based on the findings of the Housing Needs Assessment and on-going research compiled by the HAB and Housing Coordinator, this document is intended to:

- Create a common understanding of countywide housing needs and the interrelationship between Madison County, local communities, and surrounding rural areas;
- Educate and motivate regional coordination among local governments and key stakeholders to address workforce housing issues in Madison County;
- Provide the necessary baseline of demographic data and general housing information, including funding opportunities, to promote meaningful housing discussions; and
- Help local stakeholders understand how they can work to address challenges and craft solutions to increase the supply of affordable housing in the county.

Various sources of published information were used in the preparation of this Plan, including, but not limited to:

- U.S. Census data including 2022 and 2023 American Community Survey (ACS)
- 2025 Madison County Growth Policy
- Montana Department of Labor and Industry data
- Montana Department of Environmental Quality reports from the 2022 and 2024 Governor's Housing Task Force.
- 2022 and 2023 Area Median Income from the US Department of Housing and Urban Development.

- Current MLS listings of recent home sales and historic sale trends for Madison County.
- Publicly listed rental data from various sources, including Apartments.com, Craigslist, Zillow, Facebook, and local property managers.

The Plan also relied on input from surveys and interviews conducted during the Housing Needs Assessment from the following communities: Alder, Cameron, Ennis, Harrison, Jefferson Island, Laurin, McAllister, Norris, Pony, Sheridan, Silver Star, Twin Bridges, and Virginia City/Nevada City and public feedback received through a series of community presentations and interviews conducted in 2024-25 by the Housing Coordinator, and a Housing Summit hosted by the HAB on May 2, 2025.

5. Background

Existing Conditions:

Prior to 2020, Montana was a relatively affordable place to live and raise a family. Unfortunately, that no longer appears to be the case. Demographic data varies depending on the source, but generally confirms the county is experiencing significant growth pressures due to an increasing population and limited housing supply. The following data was extracted from several sources, including the 2025 Madison County Growth Policy and the Headwaters RC&D 2023 Comprehensive Economic Development Strategy, a region-wide analysis for all of southwestern Montana (Figure 1).

In 2022, the US Census estimated Madison County's population to be 8,742 residents, a 15.2% population increase from 2010 (7,588). Compared to a state average of 12.1%, Madison County ranks amongst the fastest growing counties in Montana. The county includes four incorporated communities Ennis, Sheridan, Twin Bridges, and Virginia City (county seat) that are home to 25% of the total population of the county. Ranging in size from 200-1000 residents, these towns are typically defined by single-family homes on smaller, ¼ - ½ acre, lots served by centralized water and sewer systems. The bulk of the county's population, over 75%, live in rural areas, primarily single-family homes in larger lot subdivisions or ranch-type homesteads, served by private well and septic systems (Figure 2).

Statistically, Madison County is similar to many other western Montana counties. The median age of its residents has increased by 11.5% over the past decade from an average of 48.7 years (2010) to 54.3 years (2022); driven by an increase in the number of residents aged 65 or older. Senior citizens currently comprise 30.2% of the County's total population. As this cohort continues to grow the County should prioritize issues

facing aging residents including affordable housing, healthcare, transportation, and accessibility. Nationwide housing trends suggest a significant number of these older, typically 1-2 person, households would be open to downsizing into smaller, low-maintenance, homes, condos, and apartments, if such opportunities were made available – thereby freeing up existing larger homes for young families.

In 2022, the median per capita income and Area Median [Household] Income (AMI) for Madison County was \$40,358 and \$55,892, respectively. In the interim, in response to difficulties attracting and retaining employees, the AMI for Madison County has increased by over 20% to \$67,420 (2024 ACS). Between 2018-2022, the most common income range, constituting 22.6% of local households, was \$35,000-\$49,000. The County's unemployment rate was 3.0% in 2023, below the national average of 3.6% and down 4% from 2010 numbers. In 2022, the top three employment sectors in Madison County were in the fields of tourism (accommodation and food services), construction, and professional services (healthcare and education). According to the Montana Department of Labor and Industry, in 2023, the food and accommodation sectors provided over 40% of Madison County's employment opportunities – “the most of any county in the state”. In 2024, the county's poverty prevalence (based on a poverty income threshold of \$20,440 for a 2-person household) is below national averages, at 6.8% for individuals and 5.0% for families, translating to approximately 592 individuals and 109 families living below the poverty line.

Per the Housing Needs Assessment, (Figure 3) indicates that approximately 23% of county residents are renters, typically in duplexes or mobile/manufactured homes. Assuming an average cost to rent of \$1,710 per month for a two-bedroom duplex (\$855 per month per bedroom) and an Area Median Income (AMI) of \$55,892, the cost to rent a home is outside of the price range for many residents. As a result, 27% of households in the county are identified as “cost burdened”, with more than 30% of their gross monthly income spent to rent or purchase housing. Despite recent increases in AMI, further complicating this issue is the realization that even if a household can afford local rents, the availability of rental properties is limited.

The Housing Needs Assessment concluded, “as prices have risen, wages have not kept pace, making affording a house a difficult task for residents”. This major imbalance between local income levels (ability to qualify for conventional home loans) and the average purchase price for homes in various communities throughout the county is depicted in Figure 4. The unique housing needs of the Big Sky, a high-end resort community located along the county's eastern flank, were separately assessed in 2022. Refer to the following link to that report [Big Sky 2022 Assessment update \(9.9.22\)](#).

Headwaters RC&D 7 County Region Housing and Affordability Quick Facts

Housing	Beaverhead County, Montana	Butte-Silver Bow (balance), Montana	Deer Lodge County, Montana	Granite County, Montana	Jefferson County, Montana	Madison County, Montana	Powell County, Montana
Population Estimates, July 1 2021, (V2021)	9,524	NA	NA	NA	NA	NA	NA
PEOPLE							
Housing							
Housing units, July 1, 2021, (V2021)	4,959	X	5,519	2,603	5,390	6,391	2,950
Owner-occupied housing unit rate, 2017-2021	67.3%	69.8%	67.6%	78.8%	84.1%	77.4%	66.0%
Median value of owner-occupied housing units, 2017-2021	\$249,000	\$165,600	\$145,000	\$248,200	\$304,300	\$320,800	\$144,000
Median selected monthly owner costs -with a mortgage, 2017-2021	\$1,353	\$1,120	\$1,133	\$1,342	\$1,719	\$1,521	\$1,186
Median selected monthly owner costs -without a mortgage, 2017-2021	\$393	\$444	\$358	\$402	\$432	\$460	\$435
Median gross rent, 2017-2021	\$732	\$704	\$586	\$586	\$798	\$937	\$649
Building permits, 2021	46	X	21	NA	8	9	40
Income & Poverty							
Population Estimates, July 1 2021, (V2021)	9,524	34,768	9,491	3,344	12,470	8,917	6,999
PEOPLE							
Income & Poverty							
Median household income (in 2021 dollars), 2017-2021	\$51,048	\$50,661	\$44,800	\$49,077	\$72,500	\$56,410	\$53,111
Per capita income in past 12 months (in 2021 dollars), 2017-2021	\$30,134	\$30,548	\$28,079	\$32,389	\$36,979	\$36,692	\$25,255
Persons in poverty, percent	12.7%	15.7%	14.6%	11.7%	7.4%	9.1%	16.9%

Figure 1 - Madison County data (red box) from Headwaters RC&D 2023 Comprehensive Economic Development Strategy

Major findings from the Housing Needs Assessment include:

- 6391 housing units in Madison County, 77% owner-occupied, 23% rentals.
- Number of housing units has not kept pace with the growth in population.
- \$428,167 median home price, increase of 122% from 2017.
- \$55,892 Area Median Income (2022 dollars) for Madison County.
- \$173,060 Housing Affordability Level is 60% below the median home price (based on AMI, 30% housing cost rule, and conventional financing).
- Owner-occupied housing, 84% single family residences.
- Renter-occupied housing, 41% manufactured homes, 21% duplexes, 37% combination of other housing types.
- 2.35 people per household, indicating a slight increase in the number of small families moving into the area.
- Madison County has a higher cost of living index (primarily due to housing, transportation, and taxes) compared to adjacent counties.
- Rental costs are difficult to calculate, varying from \$850 to \$2000 per month depending on the size and location of the rental unit.

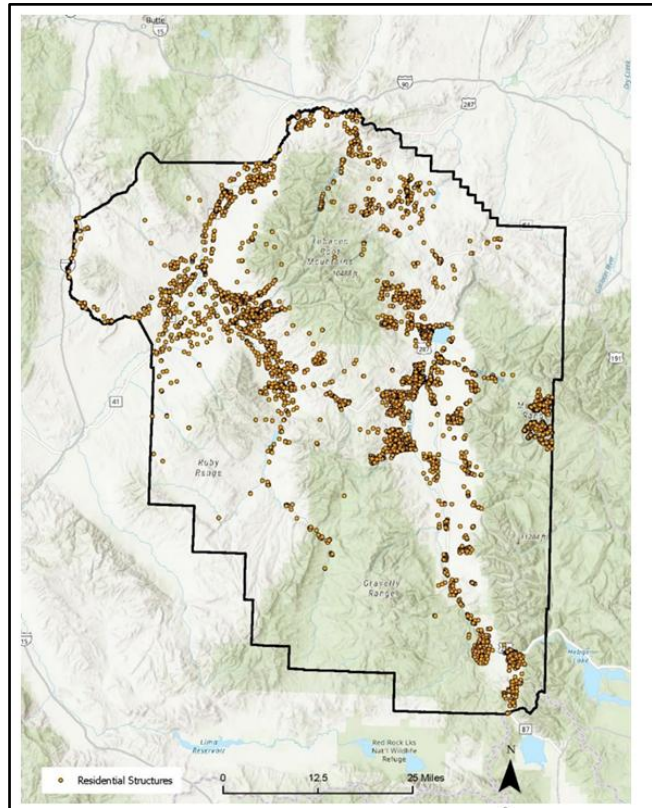


Figure 2 – Location of residences in Madison County

Owner Occupied Housing Unit 2021	Count	Percent
Single Family Residence	4,793	84%
Townhouse	69	1%
Condominium	415	7%
Mobile Home	435	8%
Rental Unit Type 2021	Count	Percent
Single Family	15	4%
Duplex	76	21%
Triplex	36	10%
4-plex	28	8%
Mixed Residential and Commercial	11	3%
Apartments (3 stories & less)	40	11%
Townhouse/Rowhouse	5	1%
Boarding/Rooming House	4	1%
Mobile Home/Manufactured Home Park	145	41%

Figure 3 - Housing unit types in Madison County

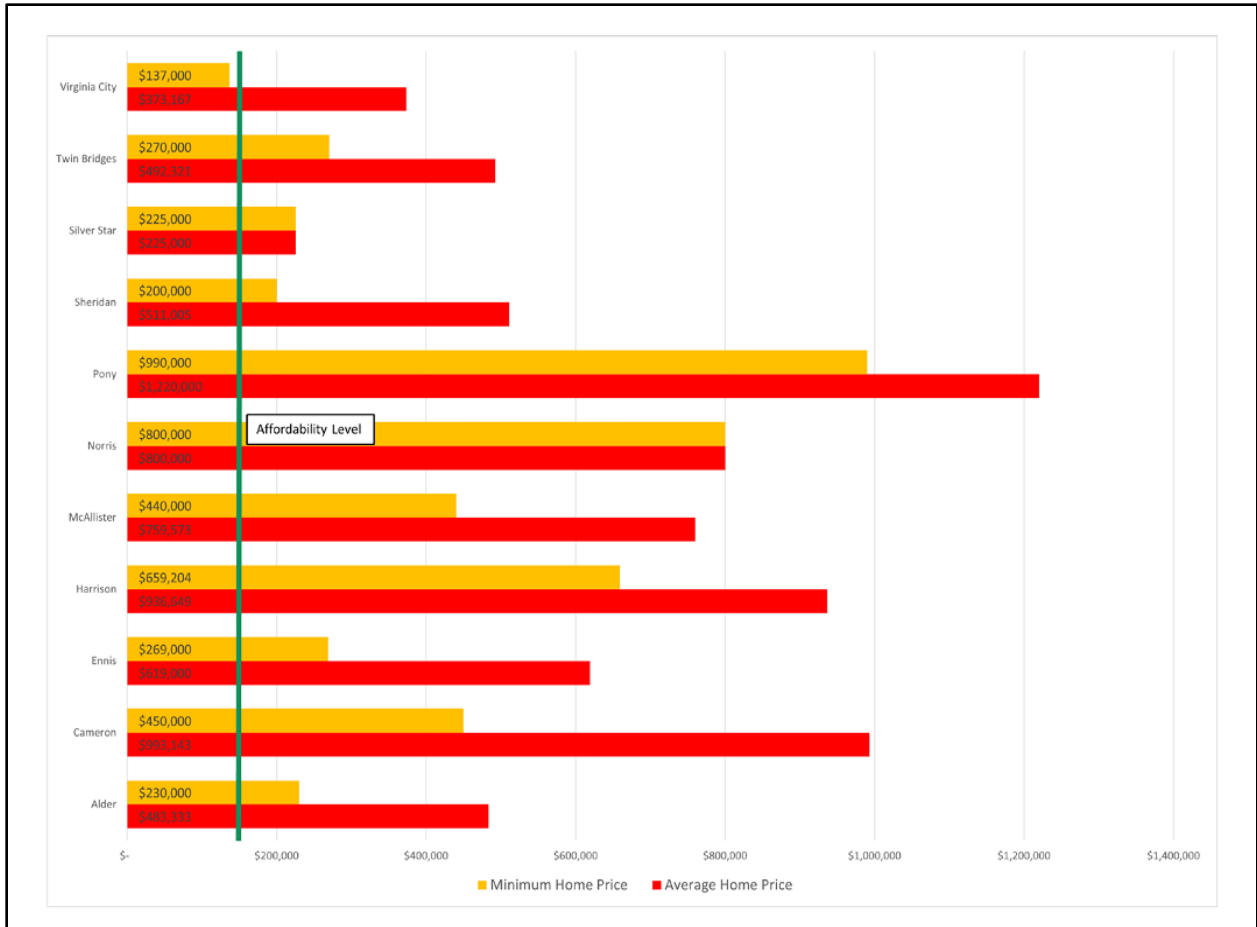


Figure 4 – Minimum and average home prices compared to affordability (2022, based on \$173,060 Housing Affordability Level)

In the intervening years, the disparity between housing costs and income levels in Madison County has only gotten worse. In September 2024, the National Association of Realtors reported that Montana was ranked the worst among all states for housing affordability. Furthermore, as shown on the map below (Figure 5), within Montana, Madison County (in dark brown) is one of the least affordable counties in the state. Despite evidence of significant construction activity throughout the county, there remains a current shortage of affordable housing units, either to purchase or rent.

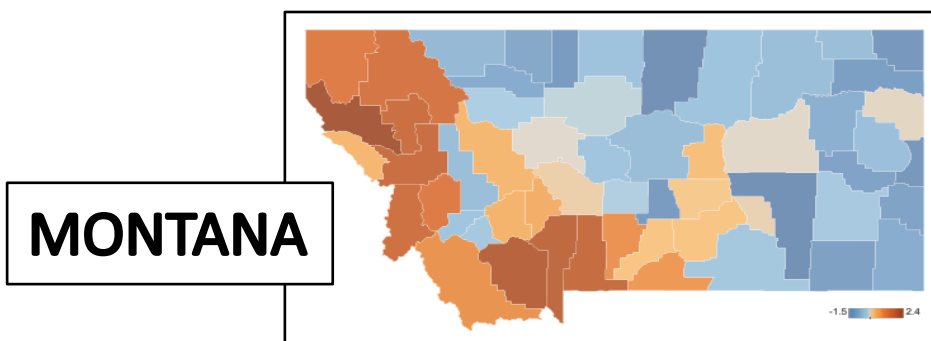


Figure 5 - Median home value divided by median household income (Montana Department of Labor & Industry – Housing Affordability in Montana, October 2022)

The following excerpt from a local news interview clearly illustrates the economic challenges created by the lack of affordable housing in the area:

Chris Gentry, owner of Madison Foods in Ennis, says that with few affordable places to live in the area, she and other business owners have begun securing their own properties to offer affordable housing to their employees. “I have a total of 14 employees that I provide housing for. I never thought about the rental business, but I try to take care of my employees”. Gentry further noted that over the past couple of years, the cost of renting in Ennis has crawled up from \$1500 a month, to upwards of \$3000 a month. “Offering units at an affordable cost not only helps keep people working at Madison Foods but also recruits them to the area. I’ve lost people that were probably really good hires, but once they started looking for something there was nothing here and it wasn’t affordable for them,” (KBZK News article, March 20, 2023)

Constraints:

Primary factors limiting the ability to develop more affordable housing in the county include:

- Land availability – Affordable housing projects typically rely on the availability of affordable land, often smaller parcels within established communities and near major employers. Smaller sized lots in local communities are generally in limited supply. Madison County also contains a significant amount of publicly owned land (1,204,642 acres) and conservation easements (296,331 acres), primarily in the Madison River Valley, that limit housing development opportunities. Over 65% of the total land area in the county is restricted in this manner.
- Water and sewer infrastructure access - Affordable housing projects typically rely on access to public water and sewer systems, compared to private wells and septic systems. Only four communities including Twin Bridges, Sheridan, Virginia City, and Ennis operate public water and sewer systems. Alder and Harrison, primarily due to high water table concerns, also operate public sewer systems. Many communities have limited capacity in their current water or sewer systems to accommodate growth.
- Staff availability - Affordable housing projects typically rely on assistance from local governments to coordinate access to public funding and manage projects. Local government agencies, both at the county and municipal level, currently

have limited staff capacity to assist in the development of affordable housing projects.

- Building contractor availability - Affordable housing projects rely on the availability of local building contractors willing to comply with often complex labor and budgeting requirements associated with public funding, i.e. grants and low interest loans. Many local contractors are already busy with other projects, typically higher-end homes on larger rural parcels, or unwilling to take on the additional management burdens required of publicly funded projects.

Opportunities:

In response to the housing crisis, numerous opportunities are materializing, including:

- Land Banking – Land costs are a significant element of housing affordability. The Housing Needs Assessment encouraged the county and local communities to identify existing parcels of land well-suited for affordable housing land banking. Ideally, these parcels would have good access to existing utilities, including water, sewer, and power; roads; community services; and major employers to minimize construction and commuting costs. To minimize acquisition costs the focus should be on identifying publicly owned parcels, including state, county, and local government property that can be donated to appropriate community-based housing projects. Land owned by local employers, non-profit organizations, and philanthropic private landowners are also a good source of land for affordable housing projects.

Land and housing trusts are typically non-profit organizations created to acquire and hold land to allow for long term affordable housing development. Several successful models exist throughout the state, including cases where the trust enters into long term leases with prospective homeowners to obtain conventional financing to construct homes on the trust-owned lots, or the trust could partner with public or private organizations to develop the property for single or multi-family housing units, much like a condominium association. The Big Sky Community Housing Trust (BSCHT) is a good local example of this approach. Over the past 10 years, the BSCHT has successfully partnered with various public agencies and private developers to construct affordable workforce housing, both homes and apartments, in the Big Sky area.

- Partnerships – Numerous models exist of creative public-private partnerships to address the affordable housing crisis. These projects typically develop multi-family housing units, including duplexes, triplexes, and apartment complexes by

leveraging both public and private funding, including Low-Income Housing Tax Credits (LIHTC), low interest construction loans, and various state and federal incentives to attract private investors.

Successful partnerships rely on each partner bringing “something to the table” with the overall goal of reducing the cost to build and operate affordable housing facilities. Examples of these contributions include land, infrastructure, grant funds, regulatory incentives, tax credit financing, low interest construction loans, and construction and property management experience.

- Infrastructure - Next to land, convenient access to existing water, sewer, power, and road infrastructure is often the most crucial cost element of an affordable housing project. The Housing Needs Assessment included a detailed analysis of each community’s water and sewer capacity. The most common concern expressed by these communities was the limited capacity of their systems. The report encouraged on-going planning efforts, through Preliminary Engineering Reports (PERs), to prioritize improvements to these systems to accommodate growth and the need for affordable housing. County government and local communities should work closely together to identify grant funds to help offset the high costs of constructing these improvements.
- Staffing – Increasing the local supply of affordable housing will require the county government, incorporated communities, and outlying residents to work together to share resources and coordinate efforts.
- State and federal funding – In response to the major impact of the housing crisis on smaller communities and rural counties, additional state and federal funding is being allocated to incentivize the development of affordable housing in Montana, and across the country. To ensure access to and efficient use of these funds, it is important that the county and communities work together to proactively identify “shovel ready” affordable housing projects.
- Modular and panelized homes – Recognizing there is a limited supply of local building contractors and that many of these builders are busy constructing homes for wealthier residents, it is imperative that their time be used effectively and that other construction technologies are utilized wherever possible. Fortunately, significant advances have been made in the design and construction of modular homes, previously referred to as mobile or manufactured homes, and panelized construction techniques using energy-efficient Structural Insulated Panel (SIP) technology.

Today's modular homes come in variety of efficient and attractive designs and can be constructed and delivered in significantly less time and more affordably than conventional stick-built homes. Local contractors are utilized to prepare the site and foundation, and in some case, finish the building. With careful consideration given to design and siting, it appears modular and panelized home design technology offer a timely and cost-effective way to introduce high-quality affordable homes within existing communities and neighborhoods.

6. Future Considerations

The county's population has increased significantly over the past few years, averaging 2.4% annually, since 2019. Assuming a more conservative annual growth rate of 0.50% going forward, the county will add over 2000 new residents by the year 2060, or approximately 50 residents annually. Based on the current average household size of 2.35 persons, over 850 new housing units will need to be constructed over the next 35 years, or 24 units annually. Case studies from other Montana communities suggest creative public-private partnerships may offer a possible solution.

7. Action Items

In light of the magnitude of the "housing crisis", it appears the mission of the HAB will need to expand and take a more active role, in partnership with county government, local communities, and major employers to promote affordable housing development. Based on this research, specific recommendations for Madison County to implement or support include:

- A. Extend Housing Coordinator Contract – as previously mentioned, in July 2024 the Madison County HAB partnered with Northern Rocky Mountain Economic Development District (NRMEDD) to contract for a full-time Housing Coordinator. The Housing Coordinator has worked with the HAB to develop this report documenting opportunities to increase the supply of affordable housing throughout the county. To avoid a loss of momentum on the subject of affordable housing, the HAB recommends the county negotiate with NRMEDD to fund and extend the contract for another year with an emphasis on implementing the action items described within.
- B. Formalize Housing Partnerships – to avoid redundancy and make most efficient use of available resources, the county should formalize working partnerships with affordable housing agencies currently active in Madison County, including Action Inc. (HRDC Butte), Headwaters RC&D, HRDC Bozeman, Habitat for Humanity of Gallatin Valley, Big Sky Community Housing Trust, Trust Montana, and

NRMEDD. The goal is to coordinate efforts between existing affordable housing agencies, communities, local builders, and financial institutions to encourage the construction of affordable housing projects. Guided by the findings of this report, the HAB recommends extending and expanding the relationship with NRMEDD to create an effective local housing program.

C. Maintain an Affordable Housing Land Inventory – the HAB should continue efforts to identify land potentially suitable for affordable housing development. The Housing Coordinator has compiled an initial inventory with a focus on smaller parcels, typically publicly owned, in close proximity to existing incorporated communities, infrastructure, and major employers. Parcels have been identified in each community and conversations initiated with the respective stakeholders. Subject to input on site suitability from appropriate county departments and conformance with applicable MCA statutes, the HAB recommends ongoing research and updates to the land inventory in support of land banking opportunities described below.

1. Employer Assisted Housing Partnerships (EAHP), in cooperation with major employers, incorporated communities, state agencies, and the county, develop affordable housing projects to serve specific employee housing needs.
2. Land Banking in cooperation with public entities, institutional owners, or private donors identify land parcels to be donated, traded, or purchased and deed-restricted for current and future use for affordable housing projects.
3. Community Land Trust (CLT) in cooperation with Trust Montana, or similar non-profit organizations, work with incorporated communities, state agencies, and the county to identify land parcels to be donated, traded, or purchased and voluntarily deed-restricted for current and future use as affordable single and multi-family housing.

D. Secure Grant and Loan Funding – the county, through the HAB and Housing Coordinator, should assist communities to identify, apply, and manage grants and loans to construct affordable housing projects. The HAB recommends a portion of the Housing Coordinator’s time be reserved for community-based granting writing and administrative support, including:

1. Affordable housing construction and rehabilitation loans and grants – in cooperation with local government agencies (towns), apply for state or federal funding to construct new or repair existing affordable housing (single or multi-family units) serving low-to-medium income households.
2. Infrastructure loans and grants – in cooperation with local government agencies (towns), apply for state or federal funding to improve or extend existing public water and sewer systems to support affordable housing development serving low-to-medium income households.

3. Low Income Housing Tax Credits (LIHTC) - in cooperation with private developers apply for tax credits and low-interest construction loans through the Montana Board of Housing to invest in multi-family affordable housing projects. The HAB recommends creating a local non-profit housing trust, or partner with an existing organization, to apply for LIHTCs.
 4. Infrastructure connection fees - in cooperation with communities explore opportunities to waive, defer, or reduce water and sewer connection fees for affordable housing developments.
- E. Create a County Housing Fund – the county should allocate county-funds, on an annual basis, to create a Housing Fund to leverage against state and federal grants and private contributions to support affordable housing development throughout the county. The HAB recommends the county consider allocating resources from the general fund or a targeted mil-levy to create a Housing Fund of \$250,000 annually, the current equivalent of less than 1.0 mil, to provide grants or low-interest loans for community-based affordable housing projects.
- F. Initiate Housing Pilot Projects - the county, through the HAB and Housing Coordinator, should provide staff support, including planning, financing, and project management, to construct an affordable housing “pilot project” in each of the four incorporated communities. As learning opportunities these projects will showcase the potential for future larger scale efforts. These cooperative community-based pilot projects would involve major employers (hospitals, schools, and equivalent), existing infrastructure (water, sewer, and roads), land banking, local builders, and cost-effective modular and panelized home designs. The HAB recommends the county allocates resources to aid in these community-based housing initiatives.
- G. Preserve Existing Manufactured Homes – the county, through the HAB and Housing Coordinator, should assist homeowners to access funding programs to repair or replace this important supply of affordable homes. In cooperation with NeighborWorks Montana, or similar non-profit organizations, the HAB recommends working with existing mobile homeowners and park residents to explore ways to preserve existing housing stock and purchase these parks, ensuring long term affordability through cooperative ownership.
- H. Share Housing Information - the HAB should continue to serve as a clearinghouse of affordable housing information, especially financial incentives and “best practices”, for local communities, employers, and organizations. The HAB recommends on-going public outreach efforts, including regular presentations to community groups and hosting annual events, like the Housing Summit, to expand awareness on housing issues.

- I. Advocate for Affordable Housing-Friendly Regulatory Amendments – the HAB recommends on-going advocacy to promote amendments, in conformance with applicable MCA statutes, to local zoning and subdivision regulations to support affordable housing development.

8. Potential Affordable Housing Pilot Projects

The goal is to work with city, county, and state agencies to identify land and funding to begin construction of a small-scale affordable housing project in either Twin Bridges, Sheridan, Virginia City, or Ennis by 2026, and initiate additional projects as partnership opportunities emerge.



Figure 6 – Small-scale affordable home designs concepts

Twin Bridges

Development Possibilities: The Twin Bridges School & Community Foundation wishes to construct a one-story fourplex with attached garages as rentals for use by local schoolteachers and other low-moderate income households.

- A. 3rd and Madison Street Area (AC: 0010020201) ~1/3 acre vacant parcel is owned by the Twin Bridges School District near downtown with existing street, water, and sewer infrastructure and power utilities present.



Figure 7 - Twin Bridges townsite, excerpt

Sheridan

Development Possibilities: One publicly-owned parcel appears well-suited for the construction of duplex type rentals for school and medical center staff and other low-moderate income households in the community.

- A. Park Area (Ruby Street, AC: 0007022875) – ~1/2 acre park parcel owned by the Town of Sheridan with existing street, water, and sewer infrastructure and power utilities present.



Figure 8 - Sheridan townsite, excerpt

Virginia City

Development Possibilities: In partnership with the Montana Heritage Commission, Madison County, and the Town, there are several sites well-suited for the construction of duplexes and small-medium sized, single-family homes for low-to-moderate income local workers.

- A. Schoolhouse Area (East Idaho Street, AC: 0001027610) – ~3/4 acre parcel (6 large lots) owned by Madison County with schoolhouse building and street, water, and sewer infrastructure and power utilities present.
- B. Montana Heritage Commission (State of Montana) properties
 1. Bickford Farm Area (East Idaho Street, AC: 0001027794) - ~1.2 acre vacant parcel (1 block of 12-large lots) owned by the State of Montana adjacent to numerous parcels associated with the former Bickford Farm also owned by the State with water and sewer infrastructure present and streets and power utilities in the vicinity.
 2. Downtown Area (West Cover Street, AC: 0001027750) - ~0.5 acre vacant parcel (10-small lots) owned by the State of Montana along Daylight Creek adjacent to historic commercial area with street, water, and sewer infrastructure and power utilities present.
 3. Ballfield Area (Old Stage Road, AC: 0001004110) – ~2.5 acre vacant parcel (2 blocks on 24 large lots) owned by the State of Montana on hillside below the ballfield with street, water and sewer infrastructure and power utilities present.

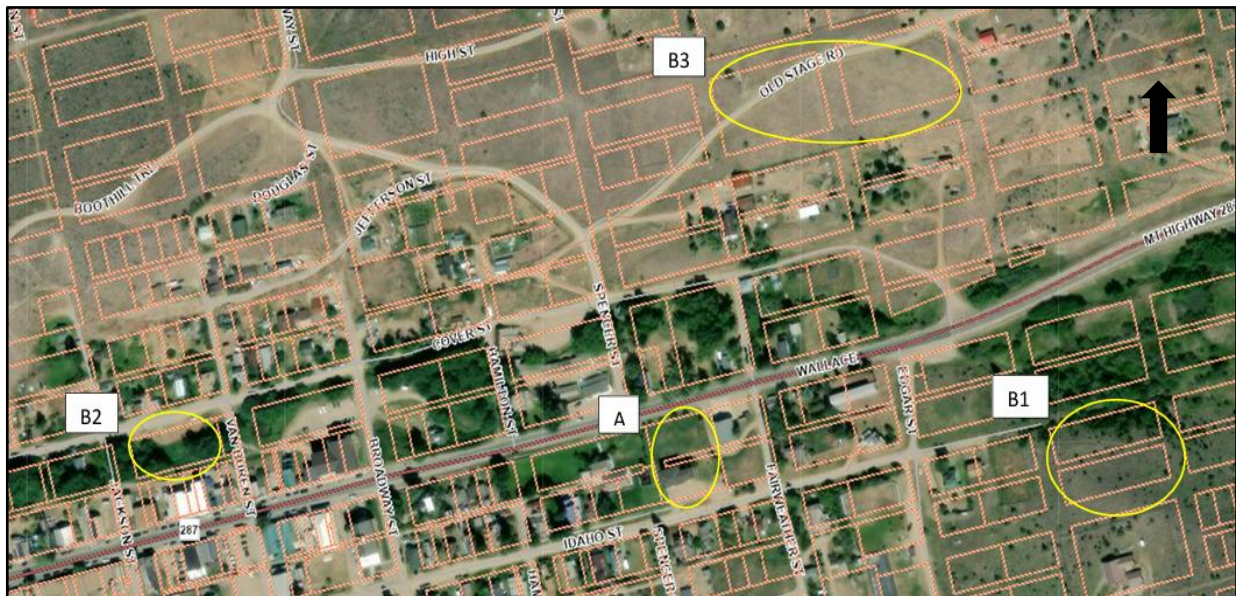


Figure 9 - Virginia City townsite, excerpt

Ennis

Development Possibilities: In partnership with local school and medical center facilities, portions of these sites reserved for future expansion appear well-suited for the construction of two-story duplex rentals or single-family homes for their staff and other low-moderate income households.

- A. Fairgrounds Area (Mountain View Road, AC: 0027244350) – ~50 acre mostly vacant parcel owned by the Ennis School District with water, sewer, and street infrastructure and power utilities in the vicinity. Annexation and water and sewer extensions needed.
- B. Fairgrounds Area (Mountain View Road, AC: 0027244300) – ~12 acre vacant parcel owned by the Madison Valley Medical Center with water, sewer, and street infrastructure and power utilities in the vicinity. Annexation and water and sewer extensions needed.



Figure 10 - Ennis townsite, excerpt

9. Implementation Schedule

Action Items	Priority/Time Period	Comments
A. Housing Coordinator	High, on-going	Extend existing Housing Coordinator contract
B. Partnerships	High, on-going	Formalize relationships with NRMEDD and funding sources.
C. Land Inventory	High, on-going	Update inventory
D. Housing Grants	High, 2025	Prepare applications for stakeholders
E. Housing Fund	Medium, 2026	Annual budget allocation
F. Housing Pilot Projects	High, 2026	Coordinate with communities and employers
G. Preserve Manufactured Homes (MH)	Medium, 2026	Outreach to MH owners
H. Information Clearinghouse	High, on-going	Community presentations
I. Regulatory Amendments	Medium, on-going	Present to local planning boards, upon request.

10. Conclusion

Based on national trends and regional data, it appears that the shortage of affordable workforce housing in Madison County is not a short-term event and formulating an effective response will require a coordinated effort by numerous parties. Financial resources, i.e. grants and low-interest loans to aid in the construction of affordable housing do exist, but they are in limited supply and competitive in nature.

Fortunately, based on the preliminary findings of the Land Inventory, parcels of public, non-profit, and employer-owned land are available in the local communities that could be utilized to reduce the cost of affordable housing development. The Housing Needs Assessment determined that each community is aware of the issue and that infrastructure capacity, i.e. water and sewer is available, but also limited, to accommodate small-scale affordable housing projects. Modular and panelized home

design technologies appear to offer cost-effective opportunities to construct affordable homes without further overburdening the local construction labor force.

As community assets, funding opportunities exist to initiate small-scale housing projects, i.e. duplex type rental apartments, within incorporated towns utilizing public grants and low interest construction loans augmented by private philanthropic contributions. Properly structured these projects could be managed by local stakeholders, typically employers, and “cash flow” to service construction debt through monthly rental fees paid by the occupants.

Partnership opportunities also exist for larger scale multi-family housing projects. i.e. 30-40 apartment units utilizing Low Income Housing Tax Credits (LIHTC) to attract private investment. These projects can be structured several ways to ensure long term affordable housing i.e. non-market rate, including joint public-private agreements where the land is owned by a local non-profit organization, or land trust, and the housing constructed and managed by a private developer. In some cases, where the need for local housing is limited the number of units could be dispersed or “scattered” across multiple sites, or communities operating under an interlocal agreement.

To explore these and other housing opportunities, the HAB hosted a well-attended Housing Summit meeting on May 2, 2025 with local stakeholders to present the draft Housing Action Plan. Public feedback was incorporated into the final version, and the Plan forwarded in September 2025 for adoption by the Madison County Commissioners. The HAB has requested funding to extend the Housing Coordinator contract to allow these affordable housing initiatives to be implemented in the most cost-effective and timely manner possible.