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Exploring Cooperative Housing Solutions

Senior and Workforce Housing

Montana Cooperative Development Center

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Executive Summary

The Cooperative Housing Study explores how cooperative housing models can address Montana's critical housing challenges, particularly for seniors and the workforce in rural areas. This document builds upon foundational research supported by the Cooperative Development Foundation (CDF) and the Affordable Housing Initiative and integrates insights from the Montana Cooperative Development Center's (MCDC) staff engagement. The study is a comprehensive resource to empower communities to explore and implement cooperative housing solutions tailored to their unique needs.

Purpose of the Study
The study serves two primary goals:

1. To explore and advocate cooperative housing as a sustainable and scalable solution for Montana's growing housing needs, particularly for seniors requiring extended and continued care and for essential workforce housing.
2. To provide actionable insights and frameworks for implementing cooperative housing models in rural communities, building on the foundational work and research supported by CDF.

The study identifies and evaluates successful cooperative housing initiatives to meet these objectives while offering potential pilot programs to address Montana's unique challenges in senior care and workforce housing. These pilots will aim to demonstrate the feasibility and impact of cooperative models in fostering community stability, affordability, and economic growth.

The study aligns with CDF and MCDC's shared goals to expand affordable, stable housing options in Montana's rural and underserved areas. CDF's initial research laid the groundwork, highlighting the potential of cooperative housing models in rural areas, while MCDC's expertise brings local relevance and practical application to this effort.

Funders and Contributors
This study was made possible by funding from the Cooperative Development Foundation (CDF), Montana Healthcare Foundation, and the USDA Rural Cooperative Development Grant (RCDG). The RCDG provided critical resources to support MCDC staff in engaging with communities, gathering data, researching pilot projects, writing, and creating tools for cooperative housing development.

Special recognition is extended to Tom Jacobson of High Country Strategies for his contributions to this document's research, writing, and development. His expertise in public policy, strategic partnerships, organizational development, financial structuring,

and capital planning provided essential insights and strategic depth, significantly enhancing the study's focus and impact.

How to Read and Utilize the Study

The study is structured to provide actionable insights for communities, stakeholders, and policymakers. QR codes embedded throughout the document link to a curated library of resources and data, including case studies, examples, and guides. These digital tools enhance accessibility and allow readers to explore further information at their convenience. They will continue to be updated as MCDC continues the work of educating and building housing cooperatives in Montana.

Each section of the study highlights examples of cooperative housing models, including Senior Housing Cooperatives, Limited Equity Cooperatives, and the innovative Hybrid Cooperative Housing model. It also examines alternative housing approaches, like rental cooperatives to address workforce housing and healthcare worker-owned cooperatives to address senior long-term care and housing needs. Furthermore, the study underscores the importance of strategic partnerships in leveraging cooperative housing to meet Montana's unique housing challenges. This study also explores partnerships and financing options, shedding light on these resources' critical role in supporting cooperative housing development and ensuring long-term sustainability. By combining these examples with accessible resource links, the study equips communities with practical knowledge and tools to evaluate cooperative housing as a feasible and impactful solution.

This study seeks to inspire and guide Montana's communities, stakeholders, and rural communities in other States toward implementing cooperative housing solutions that address immediate and long-term housing needs.

A Note from MCDC

Montana Cooperative Development Center (MCDC) is dedicated to promoting the cooperative business model to meet Montana's economic needs. The organization celebrated its 25th year in 2024 and is excited to bring new community resources to all of Montana.

As you review this report for your community or project, please contact MCDC staff through the website, www.mcdc.coop, for additional information on cooperative formation and management. The team at MCDC stands ready to assist new and existing cooperatives across Montana.

Disclaimer: The contents of this publication are intended for educational purposes only and do not constitute legal or accounting advice. For legal or accounting concerns, please consult a professional. This is an Equal Opportunity Program. Federal Law prohibits discrimination.


For a complete list of sources and resources mentioned in this study, please use the QR Code below
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Overview of Montana's Housing

Montana Profile

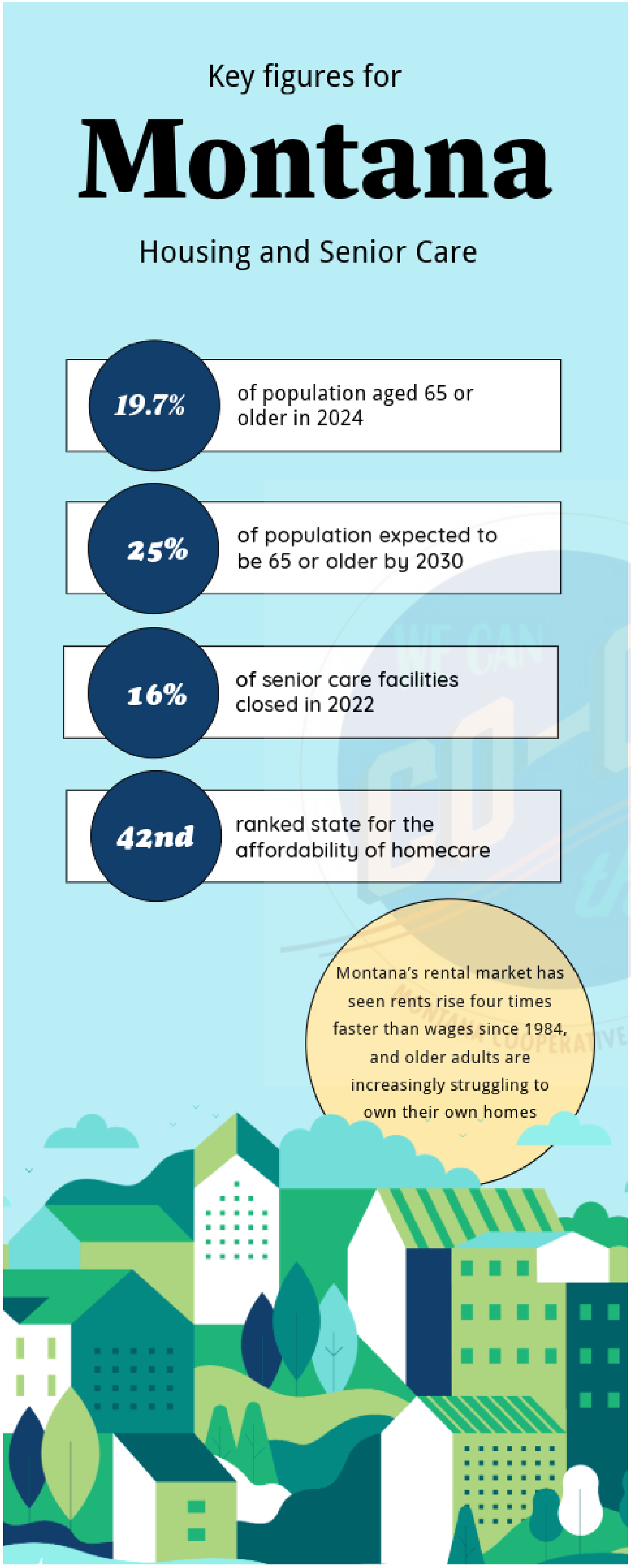
Geographic and Cultural Overview

Montana, known as "Big Sky Country," is the fourth-largest state in the U.S. by area but ranks among the least densely populated, with just over 1 million residents. Its geography is diverse, encompassing the rugged Rocky Mountains in the west, expansive prairies in the east, and several major rivers, including the Missouri, Yellowstone, and Clark Fork. This varied landscape contributes to the state's breathtaking natural beauty and outdoor recreation opportunities, drawing visitors worldwide.

Culturally, Montana is a blend of its Native American heritage, ranching traditions, and frontier history. The state is home to 12 tribal nations and seven reservations, each with a distinct cultural identity contributing to Montana's rich tapestry. Agriculture, particularly cattle ranching and wheat farming, remains vital to the state's economy and cultural identity.

Montana's rural nature poses unique challenges for housing and healthcare. Many communities are small and remote, creating barriers to accessing essential services. Additionally, the state's growing senior population and housing shortages emphasize the need for innovative solutions to support aging residents while maintaining Montana's sense of community and independence.

Montana, known for its vast rural landscapes and tight-knit communities, is facing an escalating housing crisis that affects a wide range of residents, particularly workforce members, elderly individuals, single-income households, and low-income families in rural areas. Limited housing availability, rising property values, and increasing rental costs exacerbate this issue, making affordable and stable housing difficult to secure for many Montanans. Compounding the problem is a frozen housing market, where limited inventory and slow turnover create additional barriers for those seeking housing, further intensifying the statewide crisis.



Demographics

Montana faces an urgent challenge as its population ages at one of the fastest rates in the U.S. According to *Montana's Changing Demographics: 2024 Update,* 19.7% of the population was 65 and older in 2020, making Montana the sixth-highest state for this demographic. This percentage is expected to increase to 25% by 2030, presenting a growing demand for senior housing and care. This trend is compounded by the closure of nine senior living facilities in 2022, reducing available housing options for aging residents.

This demographic shift means Montana will have approximately one senior for every three working-age adults by the end of the decade, making it one of the most senior-heavy states in the nation. Compounding the issue, many younger residents are leaving Montana for job opportunities elsewhere, further shrinking the pool of workers available to support older adults. Geographically, rural areas will continue to see a net negative migration to more urban areas. (Poulette, DelCurto, Hecht, & Schaefer, 2024)

Long-Term Care Shortages and Facility Closures

Montana's long-term care (LTC) infrastructure is struggling to meet the growing demand. The Montana Department of Public Health and Human Services (DPHHS) has highlighted a looming shortfall of care workers by 2030, and the state has already experienced significant challenges. Between 2021 and 2024, Montana experienced a significant number of nursing home closures, primarily in 2022. According to the Billings Gazette, at least 11 nursing homes—accounting for 16% of the state's facilities—closed in 2022. Various factors influenced these closures, including staffing shortages, financial challenges, and regulatory issues.

Additionally, legislative efforts, such as Montana House Bill 899, have been introduced to provide grants to assist in reopening nursing homes that were operational on July 1, 2021, but closed before the bill's effective date. These developments highlight the challenges Montana's long-term care facilities have faced in recent years and the growing concern for the state of housing for Montanans in the future.

Workforce Crisis in Senior Care

The caregiving workforce in Montana is critically understaffed, with direct care worker wages lagging $2.28 behind other entry-level jobs, as per the New AARP Scorecard for Montana. This wage disparity contributes to an alarmingly high turnover rate of 63.2% in nursing homes, significantly above the national average. The AARP scorecard further identifies that Montana ranks 33rd for long-term care services and support, illustrating systemic safety, quality, and access issues. Additionally, the state ranks 42nd in the affordability of home care, reflecting the financial strain placed on families seeking support for older loved ones.

Rural Housing

Rural communities face unique challenges when developing workforce housing. High construction costs, limited infrastructure, and smaller tax bases make it difficult to attract investment. Montana's rural areas experience higher land acquisition and construction costs compared to urban centers, while limited infrastructure, such as roads and utilities, further raises expenses. With lower population densities, developers are hesitant to invest, and the lack of a robust tax base and skilled labor makes housing projects harder to finance and complete.

The situation facing Montana was highlighted in a New York Post on November 28, 2024, in an article by Keith Griffith: "Montana's population boom fuels higher home prices and sends young, longtime residents packing". The article confirmed that from 2010 to 2020, Montana saw nearly a 10% growth and that the housing construction failed to keep pace, with the number of units increasing only by 7%. Remote work also boosted the migration to Montana, allowing many people to come into the state while working outside of the state, thus not contributing to the workforce pool.

Montana's median listing price was the fifth highest in the Nation, with an average home price of $646,975 (New York Post). However, the median household income, as per the Montana Census and Economic Information Center (CEIC), is only $69,922, compared to the US median household income of $78,538 (in 2023 dollars 2019-2023). This is key information when trying to define affordability in housing.

Adding to the housing shortage, according to Montana Housing Coalition, Montana's rental market has seen rents rise four times faster than wages since 1984, and older adults are increasingly struggling to own and maintain their own homes. This has led to difficulties for employers in retaining existing workers and attracting new talent, as businesses cite housing shortages as a significant barrier to growth. Additionally, businesses seeking to relocate to Montana have cited the lack of affordable housing as an impediment to economic expansion.

To fully understand the housing crisis in Montana, one should view the Montana Housing Situation Report found at the Montana CEIC, link is included in the resource pages following the below QR code.

Housing Task Force
In June 2024, the State of Montana released the *Governor's Housing Task Force Recommendations and Strategies to Increase the Supply of Affordable, Attainable Workforce Housing*. This report outlined critical areas for improving the state's housing supply, focusing on strategies to address affordability and access across Montana. Key recommendations included reforms to building code provisions, encouraging "missing middle housing development," and allocating state funds to build and strengthen the Housing Montana Fund. Other priorities included creating a state housing tax credit program, modifying the Coal Trust Multifamily Homes Program terms to increase funding flexibility, and enhancing gap financing opportunities. The report underscored the importance of fostering public-private partnerships to effectively tackle Montana's housing needs. It also highlighted the necessity of engaging underserved communities to ensure equitable and inclusive access to housing solutions across the state, further emphasizing the need for collaborative approaches to meet Montana's diverse housing demands.

The findings from the Governor's report align with the goals of the Montana Cooperative Development Center by reinforcing the need for innovative housing solutions, such as cooperative housing models, to meet the growing demand for affordable senior and workforce housing. MCDC's efforts to educate stakeholders about cooperative housing and develop pilot programs in Montana complement the strategies recommended by the Task Force, providing practical pathways to implement scalable and community-driven housing solutions.

Cooperative Solutions
Cooperative housing provides affordable, community-oriented living solutions by enabling residents to share ownership and decision-making responsibilities, helping to reduce costs and promote stability.

Montana is already home to a few innovative cooperative housing solutions that demonstrate the potential of this model to address housing needs. Riverside Crossing, a senior housing cooperative in Hamilton, Montana, provides an alternative for aging residents seeking community-focused living with shared ownership and decision-making. Wolf Ave Collective and RiverRocks Cooperative Housing showcase how cooperative models can foster affordability and collaboration that support low-income and community needs. A case study completed by NeighborWorks Montana on Wolf Ave Collective, the first lower-income housing cooperative conversion in Montana utilizing land trusts, is included in the resources found by following the QR code at the end of this chapter.

These existing cooperatives serve as practical examples of how cooperative housing can meet diverse housing demands, inspiring other communities across Montana to explore and adopt similar solutions.

This study will provide further details about Montana's existing cooperatives, including Riverside Crossing, and the pilot projects identified by MCDC. Additionally, it will explore the broader senior housing landscape in Montana, examining national models and their potential for adaptation to rural communities. Through this research, MCDC aims to uncover opportunities for expanding cooperative housing and addressing Montana's unique housing challenges effectively.

Furthermore, this study delves deeper into these and other cooperative housing solutions across the nation to understand the different models of housing cooperatives, their impact, and potential for expansion in rural communities across Montana.

For a complete list of sources and resources mentioned in this study, please use the QR Code below

Housing Cooperatives Overview

A housing cooperative's primary mission is to meet its members' needs and values, focusing on affordability, quality of living, and community development. Unlike traditional for-profit housing models, which prioritize investor profit, *housing cooperatives prioritize the well-being of their members through democratic decision-making that reflects the collective interest*~~.~~

In a housing cooperative, the property is owned collectively by the residents, who hold shares in the cooperative and participate in its governance. This model contrasts with traditional homeownership, where individuals own their homes independently. In Montana, housing cooperatives also operate as for-profit businesses, allowing members to share in both ownership and potential profits while still benefiting from the cooperative's democratic structure.

Different types of cooperative housing models can be tailored to address unique financial and community needs. Each model offers diverse solutions that balance affordability, equity-building, and long-term sustainability to serve various populations and circumstances.

Key Features and Benefits of Housing Cooperatives:

1. **Affordability and Cost Control:** Housing cooperatives can significantly reduce costs through economies of scale, bulk purchasing, and shared maintenance responsibilities. Because cooperatives operate on a not-for-profit basis or reinvest profits back into the property, members often pay less than they would

for comparable housing in the open market. According to the National Association of Housing Cooperatives (NAHC), housing cooperatives often provide significant savings compared to traditional rental housing. This is because cooperatives operate at cost, leveraging buying power and sharing expenses among members.

2. **Community Ownership:** Cooperative members have a direct say in the management and operations of their housing, fostering a sense of ownership and responsibility. Decisions about budgeting, maintenance, and community rules are made collectively, ensuring that all voices are heard and respected. This governance model empowers residents to tailor policies to their specific needs and preferences.

3. **Equity Building and Wealth Creation:** Depending on the cooperative model, members may build equity over time, similar to homeownership. In limited-equity cooperatives, restrictions on resale prices keep units affordable while still allowing modest equity growth for members. Shared-equity cooperatives, often linked to community land trusts, balance individual wealth-building with long-term affordability.

4. **Community and Social Cohesion: Housing** Cooperatives foster a sense of community and belonging. This environment can reduce social isolation, particularly for seniors and low-income individuals, and foster a support network for families and workforce members.

5. **Access to Resources:** Housing cooperatives can leverage group purchasing power and access specialized financing options unavailable to individual homeowners, enhancing affordability and sustainability.

6. **Resilience and Stability:** Cooperative housing offers greater stability than rental housing, as members are less vulnerable to market fluctuations and landlord decisions. This is particularly crucial in rural areas with limited housing options, and displacement can have severe consequences.

Condominiums vs. Cooperatives
Condominiums are multi-unit dwellings with privately owned residences that maintain shared common areas and infrastructure such as elevators, basements, or rooftops. Condominiums are classified as real property, meaning buyers own their dwellings' deeds.

When you buy into a cooperative, you become a shareholder in a corporation that owns the property. As a shareholder, you are entitled to exclusive use of a housing unit on the property.

For a complete list of sources and resources mentioned in this section, please use the QR Code below

Cooperative Housing Models

Housing Cooperatives

Though relatively new in Montana, housing cooperatives have a long history dating back to the 19th century in Great Britain and France. The first recorded cooperative housing community in the United States was established in New York in 1876. Significant legislative changes, such as the IRS enacting Section 216 in 1942 and the National Housing Act of 1950, were key in promoting cooperative homeownership.

MCDC addresses Montana's pressing housing challenges by exploring cooperative housing models as viable and sustainable solutions for workforce and senior housing needs. With an increasing number of Montanans, especially in rural areas, facing housing affordability issues, MCDC recognizes the importance of providing cooperative housing as an alternative option. This study focuses on specific cooperative housing models, but for those interested in learning more, a QR code at the end of this section links to additional resources, including information from the National Housing Cooperative Association and the Affordable Housing Initiative led by the Cooperative Development Foundation.

Market Equity Cooperative Housing:
Market equity cooperatives are a form of housing cooperative where units are bought and sold at market prices, similar to condominium or single-family home transactions. However, instead of owning the individual unit, residents own shares in the cooperative corporation, which in turn owns the building. This shared ownership entitles members to a long-term lease for a specific unit. In contrast to condominium associations, cooperative members collectively determine who can buy shares, with all prospective buyers subject to approval by the co-op board. Additionally, cooperative ownership allows the co-op corporation to leverage its real estate holdings for loans, which can be used to fund property improvements and maintenance, providing greater financial flexibility than typical condominium associations.

Shared Equity Housing Cooperatives:
A shared equity cooperative housing model is a resale-restrictive, owner-occupied housing model that combines cooperative ownership and shared equity to provide

affordable and sustainable housing for its members and, importantly, to balance affordability and wealth-building opportunities. Shared equity refers to the principle of distributing the financial benefits and risks of homeownership among cooperative members. Shared equity housing models can be structured in various ways.

Limited Equity Housing Cooperatives:
Limited equity restricts the amount of equity accumulated by an individual or entity in a property or asset. In the context of housing cooperatives, a limited equity cooperative (LEHC) is a form of housing with limitations on the amount of equity members can earn when selling their shares or units. ***The primary goal of LEHC is to provide affordable housing options for low- to moderate-income individuals and families.*** By restricting resale prices and promoting shared ownership, these cooperatives help to maintain long-term affordability and prevent displacement due to rising housing costs.

Hybrid Model:
A hybrid model can be applied to any form of cooperative housing, integrating the cooperative structure with a Community Land Trust (CLT) or a nonprofit organization. In such models, the CLT or nonprofit retains ownership of the land, while cooperative members own and manage the housing units. This shared equity model ensures long-

term affordability while allowing residents to build modest wealth through limited equity ownership. It also can address rising property taxes by putting the land into a trust while taxes are still garnered from the housing units, becoming a win-win in states like Montana that rely on property taxes but need to address rising housing costs.

The hybrid LEHC-CLT model effectively balances community ownership, affordability, and individual wealth-building potential. Similarly, other hybrid models, such as the Riverside Crossing Cooperative, demonstrate that land can be owned by a nonprofit organization, like a Council on Aging, instead of a CLT. In these cases, the nonprofit may donate or lease the land to the cooperative, providing flexibility in how land is secured while maintaining the cooperative's goals of affordability and stability. This adaptability allows any cooperative housing model to adopt the hybrid approach, ensuring it meets the community's unique needs and supports long-term sustainability.

Leaseholder Cooperative:

Leasehold housing cooperatives are structured so that the cooperative, rather than the members individually, holds the long-term lease on a property. Members pay an initial membership fee instead of purchasing traditional shares, meaning they do not own part of the building itself. Because members do not own shares in the property, they typically do not build home equity, and there is no opportunity for dividends, as seen in other types of ownership or equity-based investments. Monthly fees cover the cost of the lease, maintenance, and other building expenses, helping the cooperative maintain affordability for members. This type of cooperative emphasizes long-term affordability and community governance rather than financial return.

In leasehold cooperatives, members are actively involved in decision-making and management, typically on a one-member, one-vote basis. Although they lack ownership, members benefit from stable housing costs and an inclusive, community-focused environment.

Student Housing Cooperatives:

Student housing cooperatives are designed to provide students with affordable, community-focused living arrangements that emphasize collective management rather than individual equity-building. These cooperatives typically operate under a partnership where a nonprofit organization owns the property and leases it to the student cooperative. The nonprofit retains responsibility for maintaining the property’s long-term affordability and structural integrity, while the student cooperative focuses on the day-to-day management of the housing. The nonprofit can also seek charitable donations to support the overall structure.

The student housing cooperative assumes leadership responsibilities by incorporating governance structures such as a board of directors or leadership committees. These entities, composed of resident members, oversee budgeting, maintenance coordination, and decision-making processes. This democratic management model allows students to gain valuable skills in leadership, governance, and financial stewardship while also ensuring that the cooperative remains aligned with the collective interests of its members.

Residents pay an initial membership fee and ongoing monthly fees, covering rent, utilities, and often shared services like communal meals or internet access. By engaging members in operational responsibilities, such as cleaning, maintenance, and administrative tasks, student housing cooperatives reduce overhead costs and keep housing expenses lower than other student housing options.

As mentioned above, MCDC is dedicated to educating communities, stakeholders, and policymakers about various cooperative housing models. These models have effectively addressed housing needs across the country and can be adapted to rural areas. Building on national research and resources, MCDC is introducing cooperative housing to Montana as an innovative solution to housing challenges. This initiative aims to strengthen community ties, enhance economic resilience, and provide long-term housing sustainability. It aligns with MCDC's mission to promote cooperative business models that empower local communities, preserve cultural identities, and support sustainable economic growth throughout the state. MCDC also hopes this report will encourage the development of cooperative housing in other rural states facing housing shortages and the consequences it has on communities.

For a complete list of sources and resources mentioned in this section, please use the QR Code below

Senior Housing Cooperatives

History and Purpose:
Senior housing cooperatives originated in the Midwest in the late 1970s, with most of these communities located in Minnesota and Iowa. Unlike other housing cooperatives, senior housing co-ops are specifically tailored to the needs and preferences of older adults, typically setting age restrictions at 55 or 62 years and older. These senior housing cooperatives are distinct from other housing cooperatives due to their focus on the specific needs and preferences of older adults. Senior housing coops offer a combination of support, affordability, convenience, and social engagement, enabling seniors to age in place within a healthy, supportive environment. By remaining in their communities, seniors contribute to the local economy and maintain vital social networks.

The focus on older adults influences the design, amenities, and services of senior housing cooperatives. The physical units and common areas in senior housing cooperatives are designed with accessibility in mind. Housing units and shared spaces prioritize accessibility, featuring single-level layouts, wider doorways, grab bars, and non-slip flooring to enhance mobility and safety.

Additionally, senior cooperatives can facilitate access to essential services tailored to older adults, including housekeeping, meal preparation, transportation, and sometimes on-site healthcare or partnerships with local providers. This comprehensive approach supports the well-being and independence of senior residents

Recognizing the importance of social interaction and community support for seniors, these cooperatives emphasize communal spaces and social activities. They offer various programs, events, and activities designed to foster community engagement and reduce social isolation. The cooperative's management coordinates and provides these activities through employees directly hired by the cooperative or contracted with an outside company. Costs are shared by all members or residents of the cooperative and included in the monthly fees.

Senior Co-op Housing models fare well during times of crisis, in some cases, outshining other models. During the COVID-19 pandemic, senior housing provided significant benefits and saw an increase in wait lists. Senior Housing News on January 18th, 2021 showcased this in the article “Strong Wait Lists, Flat Expenses: Senior Living Co-ops Perform Strongly in Pandemic”. This article showed that the cooperative models could hold expenses steady while providing seniors with opportunities to remain socially engaged.

While all cooperatives are democratically governed, senior housing cooperatives often have governance structures and decision-making processes that specifically address the interests and well-being of older adults. This might include policies that prioritize health, safety, and quality of life for senior residents.

Senior housing cooperatives provide an affordable housing option through shared ownership and shared expenses. This can be particularly important for seniors on fixed incomes as it allows them to control housing costs while benefiting from community living. As with all housing cooperatives, the structure, such as limited equity, shared equity, etc., dictates how affordable senior housing cooperatives are typically based on the income and wealth of the residents.

The cooperative's structure also provides equity when the member eventually leaves, providing resources for more intensive care residencies such as nursing homes or for estate heirs. Unlike most senior housing options, cooperatives are more affordable and allow equity to be returned rather than spending a lifetime of savings with no return.

Supporting seniors to age in place within their communities offers significant economic and social benefits. Remaining local enables seniors to maintain social connections and ensures their spending supports community businesses, local governments, social groups, and places of worship. Carolyn Rogers' 1999 study, "Growth of the Oldest Old Population and Future Implications," highlights that counties experiencing a growing senior population benefit from population stability, higher family incomes, greater economic diversification, and lower unemployment rates. However, Rogers also cautions that a disproportionately increasing elderly population can create disparities between available resources and needs, particularly in medical care, social services, housing, and long-term care.

Recent studies continue to support these findings. For instance, the Economic Innovation Group notes that an aging population corresponds with a decline in work and spending, leading to lower income and sales tax revenues. This demographic shift results in larger federal expenditures for Social Security and Medicare and increased healthcare and pension costs for retired government employees at state and local levels.

Additionally, the University of Oregon reports that an aging population has reduced the per-capita GDP growth rate by 0.3 percentage points per year from 1980 to 2010. This decrease is partly due to older populations not participating in the labor market and partly to the effect of aging on average productivity. These insights underscore the importance of strategic planning and resource allocation to support aging populations, ensuring that communities can harness the benefits of an aging demographic while mitigating potential challenges

The AARP Public Policy Institute notes that aging in place with the help of home- or community-based services is often 20-40% more cost-effective than nursing home care, depending on the level of services required. However, staff shortages in senior housing facilities, particularly in rural areas, present challenges and opportunities.

The COVID-19 pandemic exacerbated staffing issues, with 99% of nursing homes and 96% of assisted living facilities in the U.S. experiencing severe shortages, as per the Nationwide Agency Forward Editorial “Staffing Shortages Creates Challenges for Senior Living Facilities.” These shortages can strain existing staff, potentially compromising the quality of care for residents. However, they also open avenues for job creation and intergenerational engagement. By developing senior housing cooperatives, rural communities can create employment opportunities in the healthcare sector, encouraging local youth to pursue careers in caregiving and related fields. This approach addresses workforce shortages and helps retain younger populations in rural areas, fostering intergenerational connections.

Moreover, the establishment of senior housing facilities can attract medical professionals seeking quality living environments found in rural areas and meaningful employment. The presence of such facilities enhances the community's appeal, potentially drawing healthcare workers to rural areas and contributing to the local economy.

Cooperative housing models present a promising solution by allowing seniors to share ownership and pool resources, which can significantly reduce housing and care costs. These models alleviate individual financial burdens and create a framework for sustainable, community-based support systems that meet the evolving needs of aging populations. Together, these approaches foster economic vitality while addressing critical gaps in care and housing for seniors.

Senior housing cooperatives can also provide additional services based on the needs of the members. According to the Alzheimer's Association, 21,000 people over the age of 65 are living with Alzheimer's in Montana, and 9.8% of the state's population over 45 have subjective cognitive decline. Many senior housing cooperatives incorporate health and wellness programs tailored to the needs of older adults. This can range from exercise classes and wellness workshops to mental health support and preventive health screenings. Though most senior cooperatives do not provide more intensive assisted living services, residents can contract through their cooperative for such care through local companies. Cooperatives can arrange for one company to provide these services individually, potentially at a discount.

Senior housing cooperatives offer a specialized living environment designed to meet older adults' needs, preferences, and well-being, distinguishing them from other cooperative housing models. These cooperatives can adopt various models of cooperative housing, including Limited Equity, Market-Rate, or Shared-Equity, and Conversion frameworks, depending on the goals and needs of the community they serve

Benefits of Senior Cooperative Housing

- **Affordable Living**: Fixed, predictable expenses for long-term financial stability.
- **Maintenance-Free Lifestyle**: Freedom from home upkeep and unexpected repair costs.
- **Supportive Community**: Opportunities for social engagement in a neighborly environment.
- **Shared Governance**: Residents have a voice in decision-making, fostering empowerment and collaboration.
- **Amenities**: Access to well-maintained shared facilities and common spaces.
- **Flexibility and Privacy**:

Limited Equity Housing Cooperatives (LEHC) are particularly advantageous for seniors because they maintain affordability by capping the resale value of shares, ensuring long-term housing stability and accessibility for individuals on fixed incomes. However, as seen later in this study with Riverside Crossing, limiting equity can pose challenges that need to be weighed when making the decision.

The study also examines the potential for converting existing housing developments or apartments into senior housing cooperatives. Although there are currently no examples of such conversions in Montana, this approach represents an innovative opportunity to adapt underutilized or existing infrastructure to meet the growing demand for senior housing. Additionally, this study investigates a key area of exploration: identifying senior housing cooperatives that integrate health, wellness, and extended supportive care services into their operations. This integration could provide a more holistic approach to senior living, addressing housing needs and residents' long-term health and care requirements while also providing new career opportunities for rural communities.

Moving forward, MCDC aims to further research and develop strategies for implementing senior housing cooperative models as highlighted above and explore conversion possibilities to create practical, scalable solutions tailored to Montana's unique needs.

Senior Limited Equity Cooperatives

Senior Limited Equity Housing Cooperatives (LEHCs) offer affordable housing solutions combining cooperative ownership benefits with cost stability. Notable examples include the 7500 York Cooperative in Edina, Minnesota, one of the largest and longest-operating senior housing cooperatives in the United States. It provides residents a strong community environment, affordability, and shared decision-making. The Village Cooperatives model, with developments in several states, including a new one in Billings, Montana, specializes in senior housing by offering modern amenities, shared spaces, and cost controls through the LEHC structure. These cooperatives highlight the adaptability and appeal of the LEHC model for seniors, fostering communities that prioritize affordability, social engagement, and mutual support.

LEHCs are designed to maintain affordability by capping the appreciation of member shares. Typically, these cooperatives limit annual share appreciation to a fixed rate, often around 1% to 2% per year, as per Mahoney CPAs and Advisors. However, as mentioned in the previous section, some challenges must be weighed when developing a LEHC versus a market-rate cooperative.

Dennis Johnson, President of Cooperative Housing Resources and Chairman of the Senior Cooperative Foundation, has noted that market-rate (or full-equity) cooperatives can be more challenging to resell due to higher share prices, which may limit the pool of potential buyers. However, as seen with the Riverside Crossing model in Hamilton, Montana, the only active senior living cooperative in the state, the LEHC posed challenges to their members as they needed to transition to the next phase of living. Riverside Crossing also dealt with rising property taxes with limitation of equity growth which caused financial situations for the members. In the Riverside Crossing case, the limited equity was eliminated from the cooperative after the first few years of operations. In a State like Montana, which is seeing an increase in property values and tax evaluations, LEHCs can be problematic. During development, it is advised to weigh the pros and cons of a LEHC with the purpose and needs of the member-owners.

Another option gaining traction for limited equity housing is the partnership with community land trusts (CLTs), which own and lease the land to the cooperative. This arrangement helps reduce costs and preserve long-term affordability. In Montana, as of the date of this study, the two limited equity cooperatives in place (Wolf Ave Collective and River Rocks Cooperative) do not own the land beneath their buildings. Instead, the land is owned by entities such as community land trusts or local organizations to further the perpetual affordability of the cooperatives.

According to the 2022 Consensus of Community Land Trust and Shared Equity Entities, more than 300 CLT/SE entities in the United States hold over 40,000 housing units nationwide, with CLT/SE entities found in almost every state. There are 314 CLT/SE entities in the nation. These organizations are projected to represent 43,931 residential units as of year-end 2022. Overall, CLT/SE entities are in 46 states, as well as in Washington DC and Puerto Rico. This represents a nearly 30% increase in the number of CLT/SE entities and nearly a 120% increase in the estimated number of shared equity homes compared to the projections in the last national survey conducted in 2011. However, as seen with Riverside Crossing, trust lands are not a silver bullet on affordability. Again, it is important for any new development to explore options, understand the pros and cons, and determine what type of cooperative best suits the needs of the membership.

Limitations of LEHC Models:

- Equity Growth Restrictions: LEHCs cap appreciation of member shares (typically 1-2% annually), which can limit financial returns for members, particularly in rapidly appreciating housing markets like Montana.

- Rising Property Taxes: Fixed equity growth can make it challenging for members to manage increasing property taxes, as seen in the Riverside Crossing model.

- Transition Challenges: Members may face financial or logistical difficulties when transitioning to higher levels of care, especially in senior living LEHCs.

Solutions for Flexibility and Sustainability:

- Moderate-to-High-Income Options: LEHC models can support moderate- or high-income individuals who prioritize preserving cash flow over equity growth.

- Hybrid Model w/Community Land Trust (CLT) : Partnering with CLTs to own and lease the land can lower development costs and preserve long-term affordability.

Senior Housing Cooperative and Developers:
As per the Senior Cooperative Foundation, there are more than 140 senior cooperatives in the US, with the majority in Minnesota. However, the concept is spreading and has the potential to drastically change the senior housing landscape across rural communities like in Montana. The Senior housing cooperatives are an alternative in the competitive senior living market which is primarily driven by a handful of developers with expertise in this unique model. Their success stems from understanding cooperative governance, navigating complex processes like obtaining HUD master mortgages, marketing these unique living arrangements, and managing the intricacies of cooperative membership structures.

Developers such as Real Estate Equities Development and Artessa Development have been at the forefront of this movement, leveraging programs like HUD 213 loans to reduce financial risk while providing affordability and long-term sustainability for residents. HUD financing programs, including Section 223(f) and Section 213, allow developers to secure favorable terms for cooperative projects, enabling renovations, capital improvements, or new construction (further information on HUD is in the following financing section). Artessa Development has an excellent resource, “Market Rate vs. Limited Equity Cooperative Housing for Seniors: What you need to Know,” that furthers the discussions and options for developers, seniors, and communities when wrestling with the decision of how to build senior housing. Cooperatives appeal to seniors because they combine affordability with a sense of community and resident control, contrasting with traditional rental or ownership options.

Despite their appeal, scaling the cooperative model remains challenging due to limited developer participation and the need for specialized expertise. Broader adoption may depend on education for community leaders, technical assistance, and advocacy for cooperative-friendly financing mechanisms.

Housing Conversions for Senior Cooperative Housing:
In a senior cooperative housing conversion, existing residential properties such as apartment buildings or housing developments are collectively purchased by residents who form a cooperative. Each resident buys shares in the cooperative, granting them the right to occupy a specific unit and a voice in managing the property. The cooperative itself owns and operates the property, while residents own the cooperative. This model emphasizes affordability, governance participation, and shared responsibility. Common modifications include accessibility improvements, communal areas for activities, and optional services like transportation or meal programs.

The key advantages of cooperative housing are affordability through collective ownership, financial stability due to limited resale profit restrictions, and a structured governance model where residents make decisions collaboratively.

While exploring the potential for converting traditional housing developments into senior cooperative housing, MCDC sought examples of successful projects to guide the analysis. However, the research did not uncover specific instances of existing housing developments converted into senior cooperative housing. Instead, the research found multiple examples of conversions into senior cohousing communities. This highlights an important gap in available case studies for senior cooperative housing conversions, but it also underscores the adaptability of the senior cohousing model. The cohousing examples identified demonstrate how collective living arrangements can be established through conversion, offering valuable insights into the practical challenges and opportunities of creating senior-focused, community-oriented housing.

Housing Conversions to Senior Cohousing Communities:
Senior cohousing community conversion focuses on creating a collaborative, self-managed living environment that fosters strong interpersonal connections. Unlike cooperative housing, where ownership is collective, cohousing members typically own their individual units outright and share communal spaces and resources. The emphasis is building a supportive community where residents actively participate in daily operations, decision-making, and social activities.

- Silver Sage Village in Boulder, Colorado: This community was originally a standard housing development converted into a senior cohousing community. It features private homes with shared common spaces and is designed to foster a strong sense of community among its residents

- Phoenix Commons in Oakland, California: This project involved converting an existing building into a senior cohousing community. It offers private living spaces along with communal areas for dining, socializing, and activities

➢ **Key Differences Between Cooperative Housing and CoHousing.**

- **Ownership:** Cooperative housing uses a collective ownership model, while cohousing emphasizes individual ownership with shared resources.

- **Governance:** Cooperative housing governance is democratically controlled through formalized bylaws and elected boards. In contrast, cohousing governance is typically consensus-driven and can be based on the number of shares or costs of units for a vote, not necessarily democratically controlled.

- **Community Focus:** Cooperative housing prioritizes the membership needs, often based on affordability and stability, while cohousing emphasizes interpersonal relationships and collaboration.

- **Services:** Cooperative housing may offer structured services for seniors, whereas cohousing relies on residents to self-organize and support each other.

Both approaches aim to enhance the quality of life for seniors, but they cater to different needs and preferences, making them distinct yet complementary options for transforming existing housing into senior-friendly communities.

For a complete list of sources and resources mentioned in this section, please use the QR Code below

Senior Housing and Healthcare

Senior Housing with Home Care

Senior cooperative housing with home care combines the benefits of cooperative housing ownership with providing in-home care services. This model is designed to support older adults who wish to maintain independence while having access to necessary health and social services. In rural settings like Montana, this model has the potential to address the unique challenges of isolation, limited healthcare access, and community engagement.

As with most senior cooperatives, the members decide on what services they want to include as part of the cooperative and how much they want to pay through their monthly fees. These services can include meals, housekeeping, activities, transportation, healthcare, trainers, fitness instructors, etc. It could also include additional phases of support as members age within the cooperative. The purchasing power of the cooperative typically brings the costs down below what members could access individually. Members of the cooperative can choose what they want to include as part of cooperative membership and what they choose to pay for individually.

As residents' individual needs are unique, the cooperative may determine which services they wish to pay for collectively and which should be covered individually. Social service, public health, and faith-based organizations can be utilized to provide services to residents individually. These critical conversations need to be held during the development of a cooperative and checked on throughout the tenure of the cooperative. In 2014, Cooperative Development Services out of Minnesota completed a study, “State of the Cooperative Housing, Needs and Opportunities,” which could serve as a powerful guide to communities and seniors exploring cooperative solutions. It is included in the resources found through the QR code at the end of the chapter.

One potential option for senior cooperatives is to start or participate in a Village-to-Village Network in their cooperative or community. Villages are community-based, nonprofit, grassroots organizations formed by a cadre of caring neighbors who want to change the paradigm of aging. Local Villages connect members to a wide array of practical support services and social connections.

Senior housing cooperatives whose residents have the financial means can choose which services they want to include as part of their monthly fees. The only barrier is the amount the residents are willing or able to pay. Integrating more intensive health and memory services becomes more costly and complex for senior cooperatives. Physical and cognitive decline also play a role in a cooperative's ability to self-manage, and the need for greater oversight of the operations becomes necessary.

Often recognized as the standard for senior housing cooperatives, the residents and board of directors at 7500 York in Edina, Minnesota, recognized the need for additional services as their residents aged. Without these additional services, many residents were forced to move out as their needs increased many times, splitting couples where one person needed services such as memory care. By creating a separate facility within the complex where individuals could maintain a connection with friends and spouses, 7500 York further enhanced their members' ability to age in place.

York Gardens is a senior living care facility situated on the campus of the 7500 York Cooperative in Edina, Minnesota. It is owned and operated by Ebenezer, a leading provider of senior housing and healthcare services and part of Fairview Health Services. Recognizing the evolving needs of the cooperative's aging residents, Ebenezer expanded the campus by breaking ground on York Gardens in 2009. This facility offers assisted living, memory care, and advanced care services, ensuring a continuum of care for older adults. Residents of 7500 York Cooperative have priority when moving to York Gardens over outside applicants, but the facility and services are not part of their cooperative membership. Apartments in York Gardens are on a month-to-month lease, and services are either included in the lease or covered by insurance.

Senior Housing with Integrated Financial and Medical Support Systems:
Like home care and senior cooperative housing, integrating financial, medical support, and community-based services from outside organizations is an effective strategy for assisting residents to age in place. Juniper Communities, based in Bloomfield, New Jersey, utilizes a "medical concierge" to coordinate individual resident needs with community healthcare and social service providers. Though Juniper's independent senior housing is not a cooperative, their model of connecting services to residents can be replicated in a senior housing cooperative where the medical concierge is employed by the cooperative and office onsite.

Programs of All-Inclusive Care for the Elderly:
Combining senior housing with a PACE (Programs of All-Inclusive Care for the Elderly) program could be a solution to providing access to an array of senior services and healthcare while allowing residents to age in place. The Programs of All-Inclusive Care for the Elderly (PACE) is a comprehensive care model designed to support frail older adults in maintaining independence and living within their communities rather than in nursing homes. PACE provides a full range of coordinated health care and social services through an interdisciplinary team that delivers personalized care. Participants must be 55 or older, live within a PACE service area, and meet the criteria for nursing home-level care while still living safely at home. Once enrolled, PACE becomes the primary provider for Medicare and Medicaid benefits, ensuring streamlined, holistic care under one program (Retirement Connection, 2024). This model has been effective in supporting older adults' autonomy and quality of life while also being a cost-effective alternative to institutionalized care.

Currently, Montana does not have an active PACE program in operation, though several neighboring states, such as Oregon and Idaho, have established PACE services. In these areas, providers like AllCare PACE deliver essential care services directly to seniors living in their homes, including medical, social, and long-term support. By offering a "one-stop" source of care, PACE programs reduce the need for hospitalization and nursing home placement while promoting community-based living. The model is a viable option for improving senior care services in Montana. Policymakers and stakeholders may look to successful PACE implementations in other states as a model for potential expansion into Montana (Retirement Connection, 2024).

Worker-Ownership:
One consideration in employing potentially more affordable home care and home health services is to facilitate the creation of home care cooperatives, which are cooperatives owned by healthcare workers. With much of the corporate profit incentive removed, services may be more affordable and competitive. At the same time, member workers can enjoy a share of the profits and a voice in the company's management. This, in turn, would help support the overall community's economy, especially in a rural setting where business development and health services could be needed.

Healthcare worker cooperatives can complement senior housing cooperatives by integrating care services directly into these communities, creating a seamless and holistic support system. By partnering with senior housing cooperatives, healthcare worker cooperatives can provide residents with accessible, high-quality care while fostering a sense of trust and stability. This collaboration can include offering on-site services, such as personal care, health monitoring, and assistance with daily living, tailored to the unique needs of senior cooperative members.

Montana communities could benefit from a shared staffing model that centralizes services and improves care quality by incorporating healthcare worker cooperatives into senior housing cooperatives. Worker-owned cooperatives foster stability and trust as caregivers are invested in the community's success. This sense of shared responsibility aligns with cooperative values and ensures seniors receive high-quality, consistent care.

And a worker cooperative could have a broader program to meet more than just healthcare needs. The conceptual model could combine independent living with access to supportive or long-term care services, such as housekeeping, meal preparation, transportation, and social interactions. This approach ensures continuity of care, reduces the need for disruptive moves to distant LTC facilities, and keeps seniors within their communities. It also offers a sustainable way to address Montana’s caregiving workforce shortage by centralizing services and creating opportunities for shared staffing models.

This collaboration is particularly promising for rural areas with limited long-term care (LTC) options. By integrating care services into senior housing cooperatives, the model allows older adults to age in place within their communities, avoiding disruptive moves to distant facilities. It also helps alleviate Montana’s workforce shortages by making caregiving roles more appealing through competitive wages, job satisfaction, and professional growth opportunities. In this way, the partnership between healthcare worker cooperatives and senior housing cooperatives represents a forward-thinking solution to Montana's senior care and housing crisis, enhancing the well-being of seniors while strengthening community ties.

Localized Agreements:
Another approach for integrating senior care into a housing cooperative is establishing a partnership or service agreement with a local private healthcare provider. For example, in Eureka, Montana, a private medical practice composed of local doctors and physician assistants operates independently of larger healthcare corporations. If a senior housing cooperative were developed in this community, it could negotiate a service agreement with the practice, providing cooperative members access to on-site or priority healthcare services. This model could strengthen community ties while supporting local healthcare providers. However, a key challenge with this approach is that private practices often have restrictions on the types of insurance they accept, including Medicaid and Medicare, which may limit access for some cooperative members. To address this, cooperatives could explore incorporating healthcare services into membership fees as an optional package or "menu of services" to ensure broader access for residents.

While specific examples of senior housing cooperatives partnering directly with private medical practices in the U.S. are limited, there are models where senior housing facilities collaborate with healthcare providers to offer integrated services. For instance, the U.S. Department of Housing and Urban Development's Section 202 Supportive Housing for the Elderly Program helps expand the supply of affordable housing with supportive services for the elderly. Additionally, the Administration for Community Living (ACL) has initiatives to advance partnerships to align healthcare and human services, which can include collaborations between housing providers and healthcare entities.

These models demonstrate the potential for senior housing communities to collaborate with healthcare providers to enhance resident well-being. However, it is important to note that the specific arrangement of a senior housing cooperative partnering directly with a private medical practice remains relatively uncommon. Implementing such partnerships could offer benefits like improved access to healthcare for residents and a more integrated approach to aging in place. However, challenges may include navigating insurance limitations, ensuring compliance with healthcare regulations, and coordinating services between the cooperative and the medical practice.

Exploring these collaborative models could provide valuable insights into enhancing senior living experiences through integrated healthcare services. These solutions align with Montana's values of community and independence, ensuring that seniors can remain connected to their social networks, contribute to the local economy, and live with dignity in the state they call home.

A Concept for Rural Financial Access:
MCDC is working on an interesting concept with the Montana Credit Unions that could further impact the integration of financial resources for housing cooperative members. Along with multiple partners, MCDC is exploring how Interactive Teller Machines (ITMs) can address financial deserts in rural and reservation areas as part of an overall digital equity project. Based on the research for that project, MCDC wanted to introduce the idea of combining credit union services with housing cooperative solutions.

This concept came from a discussion with The Village in Billings, which asked to be connected to a Montana financial institute. MCDC made initial connections to credit unions serving the Billings area and began exploring how ITMs could be a bigger solution for integrating financial services into housing.

MCDC also discovered the need to address cyber security as part of the digital equity work. Morgan Stanley further proves this point in a blog post on June 11th, 2024, "Cybersecurity for Seniors: A Guide for Loved Ones," which stated, "Seniors are actively embracing the digital age. Of individuals age 65 and older, 76% own a smartphone, and 88% are active on the internet. Digital activity coupled with a lack of tech and security savvy could make seniors an attractive target for cyber thieves. In fact, senior citizens lost a collective $3.4 billion in 2023, an 11% increase from 2022". By integrating ITMs into senior housing cooperatives, residents would have the opportunity to interact with financial institutions directly in a secure location.

This is an initial idea being introduced by MCDC. It is not a fleshed-out concept yet. However, this discussion will continue as MCDC works with partners to develop cooperative programming to address financial deserts.

A Path Forward for Montana

Montana's aging population presents a challenge and a significant opportunity for innovation. Senior housing cooperatives offer a unique and flexible approach to aging in place by integrating housing, healthcare, and community services. By drawing on successful models like those at 7500 York in Minnesota and exploring options such as healthcare worker cooperatives, PACE programs, and local provider partnerships, Montana has the potential to reshape how senior care and housing are delivered.

Cooperatives offer community-centered solutions that address both housing and care needs for seniors and workforce challenges. Integrating healthcare worker cooperatives with senior housing cooperatives can create a comprehensive system where independent living is supported by personalized, on-site care. Additionally, embedding financial services into cooperative housing through partnerships with credit unions and technologies like Interactive Teller Machines offers a way to address financial deserts in rural areas. These collaborations empower seniors to manage their finances securely and independently and exemplify Cooperative Principle six: Cooperation among Cooperatives.

MCDC'S proposed pilot program with Riverside Crossing will explore the potential of many of these concepts and examples. By bringing caregivers and essential services directly into senior housing communities, Montana can foster trust, stability, and continuity of care while addressing the dual challenges of housing and long-term care access.

As these models continue to evolve, tailoring them to each community's unique needs and prioritizing sustainability and collaboration will be essential. Expanding senior housing cooperatives to include extended care and integrated support systems provides a forward-thinking solution to workforce shortages and rural accessibility challenges. These efforts will enable Montana to address the needs of its aging population by fostering independence, preserving dignity, and strengthening community connections, ensuring that older adults can thrive in their communities.


For a complete list of sources and resources mentioned in this section, please use the QR Code below
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Cooperative Models for Montana

Current Senior Cooperative Landscape in Montana
Montana is seeing a growing interest in senior cooperative housing as an innovative approach to addressing the needs of its aging population. Two notable examples highlight the possibilities for senior cooperative housing models in the state: the Village Cooperative project in Billings and the Riverside Crossing Cooperative in Hamilton, Montana.

- **About Village Cooperative Housing**

Village Cooperative was established to provide affordable, maintenance-free housing options tailored for seniors aged 62 and older. With over 40 senior housing cooperatives nationwide, Village Cooperative offers a unique model where active adults jointly own their communities, blending the financial advantages of homeownership with the ease and social benefits of community living.

The organization's mission is to create vibrant, supportive environments where members can enjoy independent living while benefiting from shared ownership and governance. By prioritizing access to amenities, opportunities for social engagement, and a democratic decision-making structure, Village Cooperative ensures a fulfilling lifestyle for its residents.

Billings has been selected as the location for Montana's latest Village Cooperative project, a decision influenced by its unique role as a major regional hub. Construction is set to start in spring of 2025. As Shane Wright, Principal of Village Cooperatives, explains, *"Billings is a perfect location for a Village Cooperative. It is a major regional hub for many services in the eastern half of Montana, northern Wyoming, and western parts of the Dakotas."*

Billings' robust medical infrastructure and demographic profile, including a higher-than-average percentage of residents aged 62 and older, make it particularly well-suited for the cooperative housing model. Wright notes, *"It has a very prevalent medical base, and a higher-than-normal percent of the population is 62 and over."* The city's proactive local government and deeply rooted sense of community further strengthen its appeal. Wright emphasizes, *"The City of Billings' local government does a good job of supporting current businesses and promoting new business. And the local residents definitely have a strong sense of community and history locally, which we love for our Village Cooperative model."*

Village Cooperative's expansion into Billings reflects its mission to provide maintenance-free, affordable housing for seniors aged 62 and older while fostering independence and community through shared ownership and governance. This initiative highlights how Billings' unique characteristics align with the cooperative's values and vision.

- **About Riverside Crossing**

Riverside Crossing Cooperative in Hamilton, Montana, exemplifies how innovative partnerships can support the development of senior cooperative housing. Built on land owned by the Ravalli Council on Aging, Riverside Crossing showcases a community-centered approach that prioritizes affordability and sustainability. While not a typical Community Land Trust (CLT) model, this collaboration emphasizes how shared resources and partnerships can reduce costs and create more accessible housing opportunities for seniors. Riverside Crossing is identified as a pilot project in this study, with plans to explore the integration of supportive services and care for cooperative members, further enhancing its potential as a model for meeting Montana's evolving senior housing needs.

Path Forward for Rural Cooperative Housing

The Village and Riverside Crossing models exemplify the diversity and adaptability of senior housing cooperatives in Montana. Each approach reflects unique strategies for addressing the state's senior housing needs, offering valuable lessons for future expansion. However, extending these models and rural workforce housing cooperatives models into Montana's rural areas comes with significant challenges.

Rural communities face significant hurdles when developing cooperative workforce and senior housing. High construction costs, limited infrastructure, and smaller tax bases deter investment and make projects challenging to finance and complete. In Montana's rural areas, land acquisition and construction expenses often surpass those in urban centers, while insufficient infrastructure like roads and utilities further inflates costs. Lower population densities and the lack of skilled labor exacerbate the difficulties, making traditional development models unsustainable.

Shane Wright, Principal of Village Cooperatives, highlights the economic barriers, stating, *"The economics of today make it difficult to make rural cooperative housing work."* Key factors such as construction costs, financing, and the need for sufficient demand in smaller, less densely populated areas present obstacles that require thoughtful planning and innovation.

Despite these difficulties, Village Cooperative is open to exploring rural cooperative housing models. Wright notes, *"If we can find a rural community that has at least 15,000 to 20,000 population and meets other needed requirements, we are open to engaging in conversation about how we can make that work in rural areas."* These criteria, including a strong sense of community and adequate local support, are essential to ensure the sustainability of cooperative housing in these regions.

Building in Partnership:
Cooperatives can form strategic partnerships with various entities, such as community land trusts, opportunity development cooperatives, real estate investment cooperatives, and nonprofit organizations dedicated to housing affordability. In today's high-cost housing market, a collaborative approach is particularly valuable for building senior and workforce housing, where affordability and stability are crucial.

Housing cooperatives, while uniquely positioned to provide affordable and community-centered living, can reduce costs for members by creating strong partnerships. These collaborations provide access to resources, such as grants and technical support, which can mitigate the financial challenges often faced in rural housing development.

Nonprofits can play a vital role by assisting with land acquisition, facilitating financing, and offering support services, all of which help reduce the cost burden for cooperative members. In rural areas, where higher construction expenses and limited economies of scale are common obstacles, these partnerships can make cooperative housing a more feasible and accessible solution. Importantly, while benefiting from these collaborations, cooperatives must maintain their autonomy to ensure that members retain full control over governance and decision-making, preserving the democratic principles at the core of the cooperative housing model. Montana's Wolf Avenue Collective is an example of how housing cooperatives can collaborate with nonprofits to secure grants and other funding, effectively addressing financial barriers that might otherwise limit development. These partnerships provide crucial resources, and it is equally important for cooperative members to understand the financial obligations involved thoroughly.

Partnerships expand access to resources like funding and land, reducing upfront costs and making housing more affordable. Traditional partners include community land trusts, nonprofit organizations, and emerging partners like opportunity development cooperatives.

Ensuring Cooperative Autonomy, Clear Financial Planning and Accountability:
While partnerships can provide significant benefits, it is crucial for the housing cooperative to maintain its autonomy. The cooperative must remain resident-owned and operated, ensuring that the decision-making power rests with the members who live there. This autonomy is foundational and fundamental to the cooperative model.

Autonomy also ensures that the cooperative is not swayed by external forces that may not have the residents' best interests at heart. Instead, the cooperative can focus on its primary mission: providing affordable, high-quality housing that meets the needs of its members.

Clear financial planning and accountability are critical for the long-term success of housing cooperatives, particularly when they partner with nonprofits or rely on external funding. Cooperative members must fully understand all financial obligations, including loans, grants, or other funding secured through partnerships. Maintaining accurate and transparent financial records is essential to track and manage these responsibilities effectively. Financial packages should also align with the economic capacity of the community being served, ensuring affordability is sustainable for members. Moreover, LEHC's should prioritize mechanisms that allow members to build equity, reinforcing their financial stability and deepening their investment in the cooperative's success. Sound financial planning not only supports the cooperative's initial establishment but also ensures its ongoing viability and ability to provide long-term, community-centered housing solutions.

By building these strategic partnerships while maintaining autonomous control, housing cooperatives can harness various resources and expertise, creating resilient housing solutions that serve their communities effectively and sustainably. MCDC is committed to creating strong and respectful partnerships to address the housing needs of Montanans.

Community Land Trusts:
Community Land Trusts (CLTs) are nonprofit organizations designed to make land more affordable and accessible to communities. The core concept of a CLT is that it separates land ownership from building ownership. The CLT owns the land and leases it to individuals or groups who own the homes or buildings on that land. By removing the cost of land from the equation, CLTs help keep housing prices more affordable, ensuring long-term affordability and preventing speculative increases in property values.

Housing cooperatives can effectively utilize CLTs to reduce housing costs for their members further. In a housing cooperative, residents collectively own the buildings and share the costs, but with a CLT, the cooperative leases the land from the CLT rather than purchasing it. This leasing arrangement significantly reduces the upfront and ongoing land ownership costs, making housing more affordable for cooperative members.

The mechanics of this partnership are straightforward:

1. Land Acquisition: The CLT acquires land through purchase, donation, or government transfer, ensuring it remains in the community's hands.

2. Long-Term Lease: The CLT leases the land to the housing cooperative through a long-term, renewable lease (often 99 years), at an affordable rate.

3. Cooperative Ownership: The housing cooperative owns and manages the buildings on the leased land, with residents owning shares in the cooperative.

4. Affordability Controls: The CLT includes provisions in the lease to ensure that any resale of homes, buildings, or shares within the cooperative remains affordable, often by limiting resale prices or requiring the CLT's approval.

By utilizing CLTs, housing cooperatives can maintain long-term affordability, protect against displacement, and provide residents with secure, stable housing that remains affordable for future generations.

In Montana, there are five community land trusts; three of them focus on larger urban areas of Missoula, Kalispell, and Bozeman, with Big Sky being a largely tourism-influenced community. Trust Montana serves the gap and covers the entire state. All five of the CLTs focus on affordable housing. CLTs can play a crucial role in ensuring affordable cooperative housing and are a necessary step in creating new opportunities. Either through working with Trust Montana as a statewide land trust organization or creating new community land trusts, this element of affordable cooperative housing should be addressed and part of a work plan. Furthermore, state and local policies to facilitate the creation of land trusts should be addressed. As mentioned, with limited equity appreciation cooperatives, land valuation, and property taxes must be commensurate with the lease costs and deed restrictions placed on the property.

Real Estate Investment Cooperatives & Opportunity Development Cooperatives: Montana is a leader in developing Opportunity Development Cooperatives (ODCs) and Real Estate Investment Cooperatives (REIC) as a flexible and innovative solution to rural challenges, including housing. These cooperatives provide a unique opportunity for communities to pool their resources to address local housing needs, tackle dilapidation, and preserve historic properties. While these models can be structured in various ways, the main idea remains the same: residents collaborate to improve their communities, creating long-term affordability and stability. MCDC has developed a toolkit on ODCs, that includes REICs, to guide communities through these models. The toolkit is included in the resources for this document. The resource offers practical steps for establishing opportunity development cooperatives that align with local needs and priorities.

The Musselshell Valley Development Cooperative (MVDC) and Musselshell Rural Investment Cooperative (MRIC) are two examples of successful real estate investment cooperatives that emerged with the technical assistance of the Montana Cooperative Development Center (MCDC). Both demonstrate how these community-driven models can address housing shortages and restore local properties.

An element that ODCs could leverage in a community is their ability to serve as a funding source for housing cooperatives through a revolving loan fund program. In this model, cooperative members pool their resources together to create a loan fund that can be used to finance community initiatives and housing projects deemed vital for the community's success. For example, the Opportunity Development Cooperative of Petroleum County (ODCPC), formed with technical assistance from MCDC, uses this approach to support local development by lending funds to community initiatives, from business development to housing projects. By leveraging the collective financial resources of the cooperative, the revolving loan fund can help fund housing solutions and empower members to shape the development of their community. This structure strengthens housing initiatives and promotes economic self-reliance and community ownership, helping rural Montana communities stay resilient and self-sustaining.

- **Musselshell Valley Development Cooperative**
  The Musselshell Valley Development Cooperative (MVDC) is a real estate investment cooperative based in a rural Montana community, designed to revitalize and preserve local housing and commercial real estate. MVDC focuses on acquiring and renovating deteriorating properties, which are then sold back to the community at affordable rates, promoting local ownership and addressing the shortage of quality housing in the region. By allowing both residents and businesses to invest at varying levels, MVDC strengthens community economic power and expands opportunities for local residents, entrepreneurs, and social enterprises. MVDC is also exploring partnerships with a Community Land Trust (CLT) to ensure long-term affordability for its properties. As part of Montana's broader cooperative housing solution, MVDC embodies a unique approach that combines cooperative investment with community-based revitalization, helping rural areas retain local ownership and affordability.

- **Musselshell Rural Investment Cooperative**
  The Musselshell Rural Investment Cooperative (MRIC) represents an innovative approach to using the Opportunity Development Investment Coop as a real estate investment cooperative in Montana's rural communities, blending cultural preservation with cooperative economic development. Formed specifically to prevent the demolition of the historic Central School, MRIC raised capital through a real estate investment cooperative to invest in the developer's renovation of the building. The project aims to repurpose the school into a multi-use facility

featuring affordable workforce housing units and commercial spaces for small businesses and professional offices. This model serves dual purposes: addressing local housing needs while preserving a key piece of the community's cultural heritage. MRIC's focus on community investment and shared ownership demonstrates the potential of real estate cooperatives to foster local development, enhance livability, and retain historic assets. By leveraging cooperative ownership, MRIC is not only improving access to affordable housing but also strengthening the economic and social fabric of the area, making it a replicable model for other rural communities in Montana facing similar challenges.

- **Opportunity Development Cooperative of Petroleum County**
  The Winnett Cooperative, also known as the Opportunity Development Cooperative of Petroleum County, is an ODC rural cooperative initiative focused on strengthening the local economy and addressing housing and infrastructure challenges. This cooperative operates a revolving loan fund, pooling resources from its members to support community development projects, including affordable housing, business ventures, and infrastructure improvements. By leveraging collective financial resources, the cooperative helps ensure that local projects align with their community values and vision and contribute to the vitality of the community. The Winnett Cooperative is a model for rural Montana, demonstrating how ODCs can empower local residents to take control of their economic future and shape the growth of their communities.

For a complete list of sources and resources mentioned in this section, please use the QR Code below

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Alternative Housing Models

While cooperative housing models prioritize shared equity and homeownership, other alternative housing approaches focus on providing stability for residents rather than wealth building. Models like Resident Owned Communities (ROCs) and rental equity housing aim to create long-term affordability and security, particularly for renters and manufactured homeowners. These models often operate as mutual benefit arrangements, emphasizing stable rents and democratic management, but they do not offer the same type of equity-building opportunities as limited equity or market equity cooperative housing. Instead, they address immediate housing needs by fostering stability, protecting against displacement, and ensuring a consistent, affordable living environment for residents.

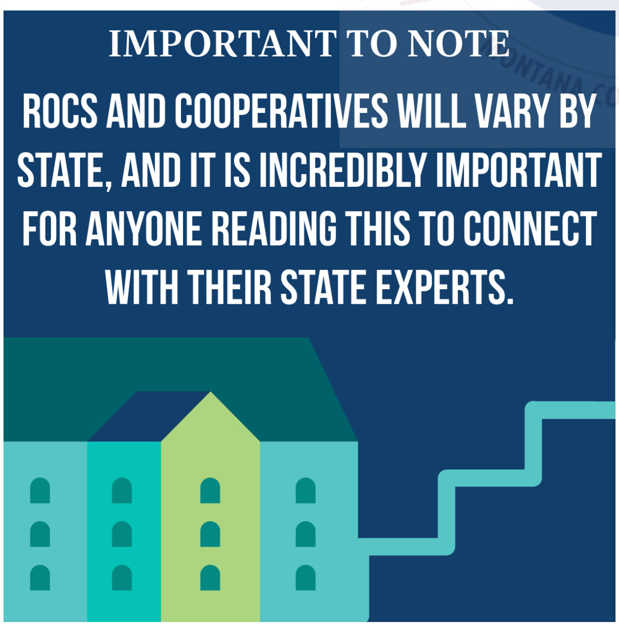
For this study, MCDC has explored these additional models that may incorporate cooperative governance while broadening the spectrum of housing solutions. Recognizing that cooperatives may not be the sole answer for every community and demographic, it is vital to consider the range of options available. By understanding and integrating diverse models, communities can identify strategies tailored to their unique needs and resources, ensuring a comprehensive approach to housing challenges across Montana.

Renter Equity:
A nonprofit rental equity housing program offers affordable rental opportunities, enabling tenants to build financial equity over time without owning property outright. Managed by nonprofit organizations that prioritize community development over profit, these programs blend the stability of affordable renting with opportunities for financial empowerment. Unlike traditional rental arrangements, where tenants pay rent without accruing benefits, this model allows renters to earn "equity credits" through consistent payments, long-term residence, or active participation in community or property management. These credits can serve as financial reserves or be applied toward future housing purchases.

A defining feature of this model is its emphasis on cooperative and democratic governance. Similar to cooperatives, tenants have a significant role in decision-making processes, particularly concerning property management and maintenance. This democratic structure ensures tenants' voices guide the program's operations, fostering a sense of community ownership and shared responsibility. By combining affordable housing with cooperative principles, nonprofit rental equity programs provide a sustainable pathway to financial security for low-income families, aligning individual empowerment with community well-being.

- Renting in Partnership: The Renting Cooperative™ model represents a revolutionary approach to housing—neither traditional ownership nor renting—that enables renters to gain financial equity without property ownership. Designed and developed by Renting Partnerships, the Renting Cooperative™ model is purpose-built to support low-income renters in building wealth by keeping their housing attractive, financially stable and permanently affordable.

- The Common Roots Renting Cooperative offers a unique rental model designed to provide renters with an opportunity to build "rental equity." This approach allows renters to collaboratively manage and maintain the property, enhancing their sense of ownership, stability, and connection to their home. Over time, as members fulfill these responsibilities and commit to staying long-term, they accrue rental equity, which can later be used as a down payment on a first home. This model addresses two critical needs: it gives renters a voice in their housing situation and a means to build wealth. The Common Roots program exemplifies a cooperative rental structure that is more of a mutual benefit program that uses cooperative principles and could be replicated as a scalable rental cooperative model, allowing renters to gain equity and a pathway toward homeownership while enjoying the benefits of cooperative living.



Mutual Housing Associations:
Similar to leasehold cooperatives, mutual housing associations often manage rental units where tenants have decision-making powers. Tenants pay a membership fee and are granted an occupancy agreement, allowing them to stay indefinitely as long as they meet membership requirements.

Resident Owned Communities (ROCs) are a proven successful mutual benefit program nationwide and in Montana for keeping lease/rental costs affordable for tenants who own their manufactured home but not the land. In Montana, ROCs are operated as a mutual benefit corporation, meaning that the land is owned by the ROC non-profit organization in which the owners of the manufactured homes have a democratic say in the ROC governance. It is important to recognize that it uses cooperative principles of democratic control and participation. However, they do not technically have an ownership structure, which is a principal component of cooperatives in Montana.

- Montana ROC: Resident-Owned Communities: NeighborWorks Montana operates an outstanding Resident Owned Communities (ROC) program designed to support communities throughout Montana. Their website, nwmt.org, offers a variety of resources, and their dedicated team is available to assist in converting mobile home parks into resident-owned communities. According to NeighborWorks, manufactured homes account for over 10% of Montana's total housing stock, serving as the largest source of affordable housing for low-income individuals. The ROC program plays a vital role in Montana's housing initiatives.
- There are 22 ROCs in Montana, with over 1,000 across the US. The ROC USA program has significant resources for anyone exploring this mutual ownership model.

For those who would like further definitions of cooperatives, nonprofits, and mutually beneficial corporations, MCDC has a blog that highlights the differences. The article is available in the resources accessible via the provided QR code at the end of this chapter.

The graphic below furthers demonstrates how cooperatives work compared to other types of entities. It offers a brief overview of the pros and cons of different business and organization structures. As communities explore ways to implement housing solutions locally, it’s essential to consider these differences and carefully evaluate which option might best address their needs.

Business Model Comparisons

MODEL	OWNERSHIP & CONTROL	BENEFITS	CONSIDERATIONS
Cooperative Create wealth, provide services, benefit members	**Members**: ownership based on holding share of common stock. Financed by sale of shares to members. Limited legal liability. Members democratically set policy and elect board of directors. One member, one vote.	Social business founded to provide services for members and community. Legally considered a corporation. Earnings from business are taxed once.	Profits are allocated to members based on level of use (patronage). Each member has equal voting power. Guided by 7 Cooperative Principles
Sole Proprietor Generate wealth for owner	**Individual owner:** Financed by owner. Full legal liability. Owner sets policy and manages business.	Simple and inexpensive to start. Owner reports on personal tax return.	Owner personally liable for business debts.
General Partnership Generate wealth for partners	**Partner owners:** Financed by partners. Full legal liability. Partners vote in proportion to investment. Partners set policy and manage business.	Partners report on personal tax returns.	Partners personally liable for business debts. Profits distributed in proportion to investment.
Corporation (C) Generate wealth for shareholders	**Stockholder Ownership:** Ownership determined by number of shares held. Financed by sale of stock. One vote per share of common stock. Policy set by Board of directors elected by majority stockholders.One vote per share.	Owners have limited personal liability for business debts. Owners can split corporate profit among owners and corporation, paying lower overall tax rate.	Most expensive to start. Separate taxable entity. Taxed twice, once at the corporate level and then at the individual level.
Nonprofit Corporation Benefit the public	Board Members elected or appointed by founder or members. Board sets policy based on set by-laws and articles of incorporation documents.	Founded around societal interests or causes. Corporation doesn't pay income taxes. Contributions to charitable corporations are tax-deductible.	Cannot return profit to their members. Membership does not grant ownership. Full tax advantage available only to groups organized for charitable, scientific, educational, literary or religious purposes.
Limited Liability Company LLC Generate wealth for owner(s)	One or more partner owners. Financed by partners. Limited legal liability. Partners vote in proportion to investment. Partners set policy and manage business.	Owners have limited personal liability for business debts.	Profit and loss can be allocated differently than ownership interests.
Mutual Benefit Corporation Benefit members	*Not actually a "business"* Type of nonprofit organization that serves a specific group of members. Examples are social clubs, trade associations or professional orgs. Members do not own it. Can be run by a board.	**Members are not owners.** Benefits include access to services, discounts or other perks depending on the type and purpose of the organization.	May distribute dividends or benefits based on membership dues or fees. *In Montana, mutually benefitted corporations may only distribute dividends during the organization's dissolution, not annually.*

Affordable Homeownership
Habitat for Humanity is a nonprofit focused on affordable homeownership. It partners with low-income families to build or renovate homes that they can buy with affordable mortgages. Typically, Habitat transfers full ownership of both the home and land to the family, with resale restrictions to maintain affordability. In some high-cost markets, however, Habitat affiliates have adopted a Community Land Trust (CLT) model, where Habitat retains land ownership, and families own the home. This hybrid approach keeps homes permanently affordable across generations, similar to the hybrid CLT model with housing cooperatives.

The NeighborWorks Great Falls, MT Owner-Built Homes program is a vital initiative that supports Montanans in achieving homeownership through the USDA's Mutual Self-Help Housing Program. This program enables low-income families to build their own homes with the assistance of a group of participants, fostering community engagement and teamwork. Families contribute "sweat equity" by working on each other's homes, significantly reducing construction costs. In return, they receive affordable financing and support throughout the process. The USDA's funding ensures that this program remains accessible and provides an opportunity for individuals and families to achieve sustainable homeownership, particularly in rural areas of Montana where affordable housing options are limited. By offering these self-help opportunities, NeighborWorks Great Falls is helping to address the housing needs of Montanans and strengthen communities.

The National Affordable Housing Network offers a series of affordable resources through sustainable technology. According to its website, nahn.com, its self-help housing program operates in Silver Bow, Beaverhead, Deer Lodge, Powell, and Madison Counties. The program has income requirements and requires working with a financial counselor.

One concept worth exploring further, though not yet pursued as a pilot program due to a lack of immediate community interest, is combining self-help housing programs with cooperative ownership. MCDC has previously discussed this idea with NeighborWorks Great Falls, identifying a potential site outside of Great Falls that could serve as a future pilot location. In the research, Sydney House in the Bronx emerged as an example of this model in action, demonstrating its feasibility and success. MCDC will continue to explore partnerships and collaborations with organizations addressing housing needs and challenges in Montana, opening avenues for innovative solutions.

- Sidney House, Habitat for Humanity New York – Williamsbride of the Bronx:

The Sidney House serves as an example of what MCDC is proposing in this section. It is a fully affordable 56-unit cooperative development located in Williamsbridge, in the north-central Bronx. Reviewing the process completed by the Sidney House could provide valuable insights for supporting a new rural cooperative built through a self-help program. According to the New York Housing Conference website, the Sidney House "*will create ownership opportunities for 56 Bronx families, solidifying their access to equity-building, self-determination, and long-term stability in the face of an ongoing housing crisis."* The project involved a variety of partners, including city council members, the Department of Housing Preservation and Development, Homes and Community Renewal, the New York Mortgage Agency, Mega Contracting Group, and Habitat for Humanity New York City.

Forming a Cooperative

Forming a cooperative in Montana is a multifaceted process that requires careful planning, collaboration, and an understanding of legal and financial structures. MCDC specializes in providing technical assistance, support, and partnership-building to help you navigate this journey. From understanding cooperative principles to accessing resources and securing funding, MCDC team members work alongside communities, businesses, and organizations to simplify and guide the process of building successful cooperatives.

For housing cooperatives specifically, MCDC next steps in 2025/26 will be to develop a Cooperative Housing Toolkit to serve as a comprehensive guide to creating housing cooperatives in Montana. This toolkit will provide detailed steps, potential funding sources, and practical resources tailored to the unique needs of housing initiatives across the state.

MCDC supports groups through five distinct phases of cooperative development: Introductory, Exploratory, Planning, Organizational, and Operational. Each phase involves essential steps and actions tailored to ensure the cooperative's success, from initial discussions to full incorporation and sustainable operation. While these phases often overlap, MCDC provides technical support and resources at every stage, ensuring that groups understand and follow the cooperative development process.

Starting with the **Introductory Phase**, groups explore the cooperative model, build a steering committee, and identify community needs. In the **Exploratory Phase**, feasibility is assessed through community engagement, clarifying goals, and initial planning. The **Planning Phase** focuses on developing a business plan, drafting bylaws, and determining the cooperative's financial and operational structure. Legal incorporation and member recruitment occur during the **Organizational Phase**, culminating in the cooperative’s establishment. Finally, the **Operational Phase** involves initiating business activities, engaging members, and ensuring the cooperative’s long-term sustainability.

MCDC offers expert guidance, templates, and tools throughout these stages, empowering communities to create cooperatives that are formed according to Montana

Law and address the needs they are formed to solve and adhere to cooperative principles.

This section's graphic outlines the step-by-step process of building a cooperative in Montana, highlighting key milestones and considerations. Contact MCDC to learn how our experienced team can support your cooperative development efforts and help turn your cooperative vision into a reality.

Montana Council of Cooperatives and the Cooperative Ecosystem:
Montana is fortunate to have a diverse and extensive ecosystem that supports the cooperative community. MCDC serves as the economic development branch for this community, and within it is the Montana Council of Cooperatives (MCOC). The Council is a non-sector trade association dedicated to uniting, promoting, and strengthening cooperative businesses across Montana. Additionally, Montana hosts three sector-specific cooperative trade associations: Broadband MT, Montana Credit Unions, and the Montana Electric Cooperatives Association. Together, these four associations enhance the cooperative ecosystem and coordinate activities and support among cooperatives. This robust ecosystem offers essential resources and support for emerging cooperatives as they begin operations.

Such cooperative ecosystems are not unique to Montana; many states have various cooperative associations that aid in developing new cooperatives. Additionally, there are numerous national and international organizations ready to assist fellow cooperatives. This business model inherently incorporates mentorship and community support from the outset.

Funding Sources & Programs

Funding cooperative housing and senior living projects in Montana requires a strategic mix of resources from federal, state, local, private, and non-profit sectors. These programs and funding sources play a vital role in addressing the state's housing challenges by offering loans, grants, technical assistance, and advocacy. This section provides an overview of the key funding opportunities available to support the development of cooperative housing, senior care, and senior living, highlighting pathways for communities to leverage financial and organizational support effectively.

Senior Housing and Living

Developing senior housing cooperatives and senior living communities requires a combination of creative funding solutions, technical expertise, and strategic advocacy. Various public and private partners offer essential support to help communities overcome these projects' financial and logistical challenges. From grant programs and low-interest loans to tax credits and philanthropic contributions, these resources are instrumental in ensuring that cooperative housing and senior care models remain viable and sustainable. This section highlights key funding opportunities, technical assistance programs, and advocacy efforts available to Montana communities, providing a roadmap for those looking to build or expand senior-focused cooperative housing initiatives.

Note that each of the resources recapped below is included in the MCDC resource page, which can be found following the QR code below or on the www.mcdc.coop website.

- **Section 202 Supportive Housing for the Elderly Program**
  Administered by the U.S. Department of Housing and Urban Development (HUD), this program provides capital advances to finance the development of housing for low-income elderly individuals. These funds can be used to construct, rehabilitate, or acquire properties that offer supportive services, including senior care. Non-profit organizations and cooperatives can apply for these grants to develop senior housing with integrated care services.

- **Program of All-Inclusive Care for the Elderly (PACE)**
  PACE is a Medicare and Medicaid program that helps meet the healthcare needs of individuals aged 55 or older who are certified by their state to need nursing home care but prefer to remain in their community. While PACE is not a direct

funding source for housing cooperatives, it provides comprehensive medical and social services that can be coordinated with housing providers to support residents' care needs.

- **Medicaid Home and Community-Based Services (HCBS) Waivers**
  These waivers allow states to provide services to individuals in their homes or communities rather than institutional settings. Services can include personal care, homemaker services, and respite care, which can be integrated into senior housing cooperatives to support residents' needs. Cooperatives can work with state Medicaid programs to facilitate access to these services for their members.

- **The Montana Department of Public Health and Human Services (DPHHS) Senior and Long-Term Care Division**
  DPHHS offers several programs and grants to support aging services. These initiatives aim to enhance the quality of life for seniors and provide financial assistance for senior care within housing cooperatives. Here are some specific programs:

  - **Aging Services**: This program administers a wide range of services for Montana residents aged 60 or older. Services are primarily delivered through a network of Area Agencies on Aging, covering all geographic areas of the state. The goal is to provide services that allow seniors to remain independent.

  - **Community Services Bureau**: This bureau administers Medicaid-funded options that enable people who are aged or disabled and have limited income and resources to remain in their homes, rather than receive services in a hospital or nursing facility. Programs include the Big Sky Waiver Program, Community First Choice/Personal Assistance Services, Home Health, and Hospice.

  - **Montana Medicaid 1915(c) Home and Community-Based Services Waiver (Big Sky Waiver Program)**: This program allows individuals who would otherwise require institutional care to receive services in their own homes and communities. Services are tailored to each individual's needs and may include personal care, homemaker services, and respite care.

  - **Senior and Long-Term Care Division Grants**: The division offers various grants to support programs and services for seniors. These grants aim to enhance the quality of life for older adults and support initiatives that promote independence and well-being.

General Housing Cooperatives

Funding for general housing cooperatives comes from a variety of federal programs designed to support affordable, sustainable housing development. These programs provide essential financial support through grants, loans, loan guarantees, and technical assistance, helping communities build and rehabilitate housing projects. Below is a summary of key funding sources available for cooperative housing initiatives:

- **HUD Section 213**: Offers mortgage insurance to facilitate the construction, substantial rehabilitation, and purchase of cooperative housing projects, primarily benefiting market-rate cooperatives, especially those serving seniors. This program has been less effective for Limited Equity Housing Cooperatives (LEHCs).

- **HUD Section 202**: Provides capital advances for constructing, rehabilitating, or acquiring supportive housing for very low-income elderly individuals, including rent subsidies to ensure affordability.

- **Community Development Block Grants (CDBG)**: These grants, which are allocated to local and state governments, can be used to rehabilitate housing projects targeting low-income residents. Proceeds from rehabilitated properties must align with CDBG restrictions, including reinvestment or return to the Department of Commerce. Each state or local government that receives these dollars has priorities to accomplish meaning that the CDBG program can vary depending on location.

- **HOME Investment Partnerships Program**: Provides grants to state and local governments to fund activities such as building, buying, and rehabilitating affordable housing.

- **USDA Rural Development Grants and Loans**:
  - **Multifamily Housing Direct Loans**: Offers competitive financing for developing or rehabilitating affordable multi-family rental housing for low-income, elderly, or disabled individuals in rural areas.
  - **Multifamily Housing Loan Guarantees**: Collaborates with private-sector lenders to increase affordable rental housing for low- and moderate-income families in rural areas.
  - **Mutual Self-Help Housing Technical Assistance Grant**: Supports nonprofits and other organizations in executing local self-help housing construction projects.
  - **Section 523 Rural Housing Site Loans Program**: Provides funds for private or public nonprofit organizations to acquire and develop sites for housing, often used in conjunction with the Mutual Self-Help Housing Grant Program.
  - **Housing Preservation Grants**: Grants offered to nonprofits, government entities, Tribes, and other eligible groups to repair or rehabilitate housing.

<u>State, Local Government and Nonprofit Funding Partners</u>

Funding opportunities for cooperative housing, senior care, and senior living in Montana come from various state, local, private, and non-profit sources. These resources provide essential financial support, technical assistance, and advocacy to advance affordable and cooperative housing projects. Below are key funding sources categorized by sector:

- **State and Local Government Programs**
  - **Montana Department of Commerce - Community Development Division**: Supports affordable housing projects through programs like the HOME Program and Community Development Block Grants (CDBG).
    - **Note**: the CDBG program is National but often found administered on State or Municipality levels.
  - **Montana Board of Housing**: Offers financing options via loan programs and tax credits to promote affordable housing.
  - **HB 819 CRO Program**: Facilitates the Montana Community Reinvestment Plan, enabling Community Reinvestment Organizations (CROs) to lower housing costs for Montana's workforce. This program focuses on creating deed-restricted, affordable workforce housing by subsidizing mortgage costs for eligible households
  - **Housing MT Fund (MCA 90-6-134)**: Currently provides approximately $200,000 in loans, with future potential for grants and tiered interest rate loans
  - **Montana Housing's Community Land Trust Mortgage Program**: Offers purchase money loans secured by leasehold estates on properties managed by Community Land Trusts.

- **Private Sector Resources**
  - **National Cooperative Bank (NCB)**: Delivers financial services and loans specifically tailored to housing cooperatives.
  - **Community Development Financial Institutions (CDFIs)**: Supports underserved markets with financing for affordable housing and cooperative projects.
  - **Shared Capital Cooperative**: A CDFI loan fund that provides financial support to housing cooperatives with a mission to create an equitable and democratic economy by investing in cooperatives.
  - **Local Enterprise Assistance Fund (LEAF)**: Provides national financing and development assistance to cooperatives and social ventures.

- **Non-Profit Sector Support**
  - **ROC USA Capital**: Offers financing to assist manufactured home community residents in purchasing their parks and converting them into resident-owned cooperatives.
  - **Nonprofit Community**: Montana has a vibrant non-profit sector with various resources. For Rural communities, finding these nonprofits that support the

region and activities is critical to rural community development as they can provide localized funding that could be leveraged for federal and state funds. Nonprofits also could be key partners in development, from fundraising, volunteerism, and more.

- **Montana Nonprofit Association:** Has a directory of over 600 nonprofits serving Montana. www.mtnonprofit.org
- **National Council of Nonprofits**: is the largest network of nonprofits in the US and could be a good starting point for a community seeking partners or localized/regional funding sources.

➢ **NeighborWorks Montana**: Offers loans, training, and technical support for affordable housing initiatives, including cooperative housing.

➢ **Montana Healthcare Foundation**: Provides strategic investments aimed at roving the health and well-being of Montana residents, which can support housing initiatives that enhance community health outcomes.

- **Alternative Funding and Cooperative Community Options**

During the Montana Council of Cooperatives Annual meeting and conference in January of 2023, the cooperative community identified housing as a top priority for policy and economic development needs. Because of that, MCDC thought it would be important to highlight that the cooperative community could be potential players in financing rural housing cooperatives for workforce and seniors. Some options could include:

➢ **Unclaimed Capital Credits, Loans, and Services from Existing Cooperatives** – one of the guiding principles for cooperatives is a concern for the community. Under that principle, there could be options for emerging housing cooperatives to build relationships with utility cooperatives serving the same community. Potential options that existing cooperative could provide:
  - Waivers of permits or support with costs of service lines for utilities (electric, telecommunications, gas, etc)
  - Volunteer support for planning and implementation services: many utility cooperatives have engineering staff on their team that could help with the layout of water and sewer systems if required.
  - Support through loans or donations: existing cooperatives at time can have extra capital credits or dividends that have gone unclaimed. They often use these to support community projects. These dollars could be utilized to leverage federal and state programs for planning.

➢ **Applying for grant programs** - Utility cooperatives have the ability to apply for the Rural Economic Development Loan and Grant program. They can leverage up to a million dollars in pass-through loan funds or receive up to $350,000 to start a local revolving loan fund in a community. This program is being utilized successfully in Montana and with the interest from cooperatives in housing could be an alternative funding source for emerging rural housing cooperatives.

➢ **Partner on a Project** – Montana is fortunate to have the Mountain Health Co-op serving communities. Mountain Health CO-OP, a member-governed, health insurance provider operating in Montana, Idaho, and Wyoming, offers a range of health coverage options, including individual plans, small and large group plans, and Medicare Supplements.

  Integrating Mountain Health CO-OP's services with a senior housing cooperative could enhance residents' access to affordable healthcare. By collaborating, the cooperative could offer tailored health insurance plans that meet the specific needs of senior residents, potentially including benefits like dental and vision reimbursements, telehealth services, and low-cost prescriptions.

  Such a partnership could also facilitate coordinated care, streamline communication between healthcare providers and residents, and promote preventive health measures, thereby improving overall well-being within the senior housing community. Additionally, the cooperative model's emphasis on member governance aligns with Mountain Health CO-OP's member-focused approach, fostering a community-oriented environment that prioritizes the health and satisfaction of its residents.

MCDC and other like-minded Cooperative Development Centers can access various funding sources and resources. While the list provided offers a good starting point for communities looking for support, many other resources are available. It is beneficial to know who in your state can assist you. For those seeking help from cooperative development specialists, it is advisable to contact CooperationWorks or the National Cooperative Development Center for a list of cooperative developers. Additionally, consider contacting local or regional economic development agencies, housing authorities, and similar departments, such as the Montana Department of Commerce, to discover the extensive resources available in your area.

Barriers to Cooperative Housing in Montana

Montana's housing landscape faces a unique set of challenges that significantly impact the viability and growth of cooperative housing. Rising property taxes, driven by unprecedented increases in property values, have strained cooperative housing models, forcing some, like Riverside Crossing Cooperative Housing in Hamilton, to transition from limited equity to full equity structures. Simultaneously, high construction costs in rural areas—fueled by limited infrastructure, elevated transportation expenses, and scarce skilled labor—create formidable financial hurdles. Additional barriers, such as limited housing stock availability, the capacity constraints of Community Land Trusts (CLTs), regulatory complexities, financing challenges for limited equity housing in rural areas, and social misconceptions about cooperative living, further complicate the path forward. Despite these obstacles, strategic planning, community engagement, and innovative financial models offer a way to unlock the potential of senior cooperative housing across Montana.

Property Taxes

Montana has recently experienced unprecedented increases in property values, leading to property tax hikes of up to 60% in some areas. These surges have significantly impacted cooperative housing models like resident-owned manufactured home communities (ROCs) and Riverside Crossing Cooperative Housing in Hamilton. At Riverside Crossing, the escalation in property taxes, which were not tied to the limited equity valuation of the cooperative, forced members to transition from a limited equity to a full equity model. This decision was driven by the realization that the cost savings from limited equity could no longer offset the mounting property tax burden.

Cost of Construction in Rural Areas

Another significant barrier is the expense of building housing in rural Montana. Limited infrastructure, higher transportation costs, and challenges in sourcing skilled labor elevate construction costs, often making housing projects financially unfeasible. Without addressing these barriers, the scalability of cooperative housing in rural areas remains limited, further exacerbating the housing shortage in these regions.

Capacity of Community Land Trusts (CLTs)

Community Land Trusts (CLTs) play a crucial role in ensuring affordability, but their capacity to acquire and hold land is hindered by the challenges of raising sufficient capital. In Montana's competitive real estate market, CLTs often struggle to secure funding to purchase land, leaving fewer opportunities to develop cooperative or other affordable housing solutions. Addressing these financial limitations is essential for expanding the impact of CLTs in supporting cooperative housing.

LEHC Challenges
Establishing Limited Equity Housing Cooperatives (LEHCs) in rural Montana faces significant financial challenges that hinder their development and sustainability. High upfront property acquisition and development costs often strain communities with limited financial resources, especially when suitable properties are scarce or require extensive rehabilitation. Access to traditional financing is another major barrier, as many lenders are unfamiliar with cooperative housing models and perceive them as risky investments. This lack of understanding makes it difficult for LEHCs to secure mortgages or construction loans, particularly in rural areas with limited specialized lenders.

Ongoing operational expenses, including maintenance, property management, and rising property taxes, add further strain, especially for small cooperatives with fewer members to share costs. Additionally, rural communities face limited funding opportunities and complex legal and regulatory requirements, which can be difficult to navigate without specialized support. These barriers underscore the need for innovative strategies, partnerships, and technical assistance to make LEHCs a practical and affordable solution for rural Montana's housing needs.

Cost of Conversion
Converting existing housing to cooperative models presents another challenge. The costs associated with legal transitions, stakeholder engagement, and structural changes can be prohibitive, particularly for small or underserved communities. This is a significant barrier for initiatives aiming to preserve housing stock and transition properties to cooperative ownership.

Availability of Housing Stock
The limited availability of housing stock is a pressing issue in Montana. Senior housing cooperatives can play a pivotal role in addressing this challenge by freeing up existing homes as seniors transition into cooperative living arrangements. This creates a cascading effect, opening up housing opportunities for younger families and reducing pressure on the broader housing market.

The challenges outlined above are interconnected, reflecting the broader pressures of Montana’s "frozen" housing market. High prices and limited inventory are stalling mobility for residents across demographics. Developing innovative solutions, like senior cooperatives and partnerships with CLTs, is critical to overcoming these barriers and fostering housing stability and affordability in Montana.

Regulatory Hurdles
Navigating property tax valuation, zoning, and building regulations is another complex layer. Property taxes in limited equity cooperatives can sometimes be assessed beyond the actual equity value of members, creating an unsustainable burden. Aligning property tax policies with limited equity appreciation rates could mitigate these challenges.

Additionally, zoning laws often limit the types of housing that can be developed in certain areas. Adapting existing structures into cooperatives may require obtaining variances or navigating lengthy rezoning processes. Older buildings also frequently fail to meet modern accessibility or safety standards, necessitating costly upgrades to comply with regulations like the Americans with Disabilities Act (ADA).

Social Perceptions and Engagement
Community acceptance can pose significant challenges. Misconceptions about cooperative housing may lead to resistance from local residents, especially regarding perceived impacts on property values or neighborhood dynamics. Successful projects require robust community outreach and educational efforts to build support and dispel myths.

Another social barrier lies within the cooperative itself. Educating potential residents and policy makers about the benefits and responsibilities of cooperative living is crucial. Without a clear understanding of how the model operates, buy-in from residents and helpful policies can be difficult to secure.

Operational Complexities
Cooperative housing also faces significant operational barriers. Establishing effective governance structures is vital to ensure smooth day-to-day operations and long-term planning. Identifying and retaining capable management to oversee these operations is essential for success.

Maintenance and upkeep of older properties can further strain resources. Without a solid financial plan to cover ongoing costs, cooperatives risk falling into disrepair or financial instability.

Legal and Market Considerations
Legal issues involved in converting traditional properties into cooperatives add another layer of difficulty. Drafting bylaws, negotiating share purchase agreements, and navigating ownership transitions are time-consuming and complex.

Finally, understanding market demand is critical. Thorough research is needed to assess the specific needs and preferences of the senior population in targeted areas. Tailoring housing developments to meet these needs ensures both the viability of the cooperative and its alignment with community expectations.

Unlocking Opportunities Through Careful Planning

Despite these barriers, senior and rural cooperative housing offer transformative potential. By addressing these challenges with innovative solutions, robust stakeholder collaboration, cooperative education, and community engagement, cooperatives can provide affordable, stable, and empowering housing for seniors while contributing to a more equitable housing landscape.

Addressing these barriers requires careful planning, collaboration with stakeholders, and often creative solutions to ensure the successful conversion of properties into senior cooperative housing.

Next Steps & Pilot Project Development

Following the research and development of this housing cooperative study, MCDC has identified three potential communities to lead pilot projects. These communities will be evaluated for their suitability to host pilot projects, which will undergo detailed planning and review throughout 2025. MCDC will continue to collaborate with the Cooperative Development Foundation and other key partners to refine these initiatives and ensure successful implementation, with an emphasis on meeting the unique needs of each community.

Potential Housing Cooperative Pilot Programs

1. **Townsend, Montana**

Geographic and Cultural Overview

Townsend, located in Broadwater County, is a rural community in the Missouri River Valley, cradled by the Big Belt and Elkhorn Mountain ranges. Known as "The Banana Belt" of Montana, it enjoys a milder climate, making it attractive for year-round outdoor recreation. The town lies approximately 35 miles southeast of Helena, Montana's state capital, and 90 miles from Bozeman, two cities whose economic expansion has led to spillover growth in Townsend.

Demographics

With a population of approximately 1,787 in Townsend and 4,618 in Broadwater County, the community offers small-town charm and a diverse community of ranchers, miners, outdoor enthusiasts, and professionals. While the age distribution is fairly balanced, there is a pressing need for housing solutions tailored to seniors and the growing workforce driven by new residents from nearby urban areas.

Rural Housing Challenges

Townsend faces mounting housing challenges driven by urban spillover growth and limited inventory. The demand for affordable senior living and workforce housing has outpaced supply, straining the community's resources. Neighboring White Sulphur Springs in Meagher County is experiencing similar pressures, compounded by workforce needs associated with a new copper mine project. This regional development has intensified the demand for housing in both communities, further highlighting the need for innovative solutions.

Housing affordability in Broadwater County presents significant obstacles. According to Realtor.com, the average cost of a home in the area is $679,000, marking a 13.2% increase from the previous year. Meanwhile, Headwaters Economics reports that the median household income in 2022 was $61,679. For minimum wage workers in the county, affording a two-bedroom home at Fair Market Rent would require 67 hours of work per week, according to the Montana Budget and Policy Center. These figures illustrate the growing disparity between housing costs and local income levels, underscoring the urgent need for new housing models to address these challenges.

Recreation and Quality of Life

Townsend’s proximity to the Missouri River and Canyon Ferry Lake offers extensive recreational opportunities, from boating and fishing to hiking and biking on nearby trails. The town’s strong community spirit is reflected in annual events such as the Fall Festival, contributing to its appeal for both retirees and families. These features make Townsend an ideal location for seniors to stay close to family, friends, and familiar surroundings, further strengthening that cherished sense of rural community.

Senior and Workforce Housing

Townsend is proactively addressing its housing challenges through innovative approaches, particularly cooperative housing solutions aimed at seniors and the workforce. As mentioned above, with the growing housing demand fueled by spillover from Helena and Bozeman, coupled with pressures from workforce demands in neighboring Meagher County due to a new copper mine near White Sulphur Springs, Townsend is at a critical juncture for housing development.

Broadwater County's economic development organization, Montana Business Assistance Connection (MBAC), is interested in exploring cooperative housing models not only for Townsend but also for other communities within their service area. These models align with MBAC's broader goals of fostering economic growth and creating sustainable development solutions. Cooperative housing provides a pathway to affordability and community stability, essential for attracting and retaining a skilled workforce and supporting the region’s aging population.

Through pilot initiatives in Townsend, stakeholders aim to implement housing strategies that offer both stability and affordability. These efforts position the town as a leader in leveraging innovative housing solutions to support economic and community development across the region.

Pilot Project for Workforce and Multigenerational Cooperative Housing

As Townsend adapts to increasing housing pressures from local growth and neighboring county developments, its leadership and economic development community is interested in cooperative housing solutions to maintain livability and affordability. The city has expressed interest in becoming a pilot project for Workforce and Multigenerational Cooperative Housing, showcasing its commitment to innovative, community-centered development.

Townsend has identified acreage with significant potential for cooperative housing, where a portion could be designated and developed to support this model. This forward-thinking approach could provide affordable housing options for workers, families, and seniors while fostering intergenerational connections and collaboration. By combining cooperative housing principles with thoughtful planning, the goal is to create a sustainable housing solution that addresses workforce needs, strengthens community ties, and serves as a replicable model for other rural areas facing similar challenges.

These initiatives will position Townsend as a leader in rural housing innovation, blending tradition with modern solutions to support residents of all ages, support workforce housing, and ensure the community's long-term viability.

2. **Riverside Crossing Cooperative – Hamilton, Montana**

Riverside Crossing Senior Housing Cooperative
Nestled between the Sapphire and Bitterroot Mountains in Hamilton, Montana, Riverside Crossing is a 55+ senior housing cooperative created to provide affordable and stable housing options for seniors. Originally established as a limited equity cooperative, this model ensured affordability for current and future members while allowing for modest equity growth capped at 1% annually.

Riverside Crossing operates on a hybrid model, made possible through the generosity of the Ravalli County Council on Aging, which received the land as a gift and continues to hold ownership of it. The cooperative’s cottages and infrastructure are built on this donated land. The cooperative offers members the advantages of ownership and the convenience of cooperative living.

Membership and Ownership

Ownership at Riverside Crossing is structured as cooperative membership, where members collectively own and manage the property through a Board of Directors. Members determine monthly charges, set community rules, and shape policies to suit their needs.

Membership in the cooperative includes cottage maintenance, lawn & landscape care, snow plowing, and more. All these services are included in the monthly service fees. Each member's ownership interest also includes a share in the common property, such as the cooperative's common house, gardens, and other shared spaces.

Transition to Market Share Model

While the original limited equity model initially ensured affordability, escalating property tax assessments have strained its financial viability. Although home values appreciated at a controlled rate of 1%, property taxes rose by 37% over three years, outpacing equity growth and placing significant financial pressure on residents, many of whom are on fixed incomes.

This sharp increase in property taxes highlights a critical policy issue. Montana's current tax assessment practices do not account for the unique structure of limited equity cooperatives, which are designed to maintain affordability for lower- and middle-income residents. To support the viability of such housing solutions, the Montana State Legislature needs to recognize limited equity cooperative housing as a viable and essential model for addressing the state's housing challenges. Legislative action is needed to align property tax policies with the unique features of limited equity cooperatives, ensuring they remain a sustainable option for communities across Montana.

In response to the immediate financial pressures, Riverside Crossing members voted to transition from a limited equity model to a market share cooperative. While this shift addresses their current challenges, it underscores the urgent need for systemic policy changes to preserve the affordability and sustainability of limited equity cooperatives statewide.

Pilot Project for Extended Services

Riverside Crossing is interested in becoming the pilot project for extended senior supportive services in Montana. This initiative may be particularly promising given Riverside Crossing's ties to the Ravalli County Council on Aging, which owns the land on which the cooperative is built. This initiative could add to the cooperative's established ties with the Ravalli County Council on Aging to create synergies that benefit members as they age in their homes. By exploring options for integrating extended services—such as in-home care, meal support, or transportation assistance—the cooperative could offer additional

3. **Great Falls, Montana**

Geographic and Cultural Overview
Great Falls, located in north-central Montana along the Missouri River, is renowned for its striking natural beauty, including a series of waterfalls such as the Great Falls, Rainbow Falls, and Black Eagle Falls, which inspired the city's name. Surrounded by the Rocky Mountain Front to the west and vast plains to the east, the area offers abundant outdoor recreational opportunities. Known as the "Electric City" for its hydroelectric history, Great Falls is a cultural and economic hub, featuring attractions like the C.M. Russell Museum, Lewis and Clark Interpretive Center, and Giant Springs State Park. The city's vibrant community spirit is reflected in events like Western Art Week and the Montana State Fair.

Demographics
With a population of approximately 60,422, Great Falls is the third-largest city in Montana. The community boasts a balanced demographic of youth, working-age adults, and seniors. While predominantly White (85%), Great Falls also reflects the cultural influence of Native American communities, especially the Blackfeet Nation. Major employers include healthcare, education, agriculture, and Malmstrom Air Force Base. Despite its moderate cost of living, rising housing costs and income disparities are presenting growing challenges for many residents.

Housing Challenges
Great Falls faces significant barriers to affordable and accessible housing, which have been amplified by local and regional economic developments:

- **Limited Affordable Housing Stock**: The Great Falls Development Authority (GFDA) estimates that 630 new housing units are needed annually to meet demand over the next decade. Existing efforts have been unable to close this gap.
- **Aging Housing Inventory**: Around 70% of housing in Great Falls was built before 1980, with only a small percentage constructed after 2010, leaving many units in need of significant updates.
- **Economic Constraints**: With a median household income of $58,272, below the national average, many residents struggle to afford market-rate housing.
- **Geographic and Development Challenges**: As a geographically isolated city, high construction costs and limited development capacity have further restricted housing availability.
- **Demographic Pressures**: The Department of Defense's Sentinel project will bring thousands of temporary workers to the area, driving up demand for rental units and creating long-term housing pressure.

Senior and Workforce Housing
The housing shortage is particularly acute for public employees, including school teachers, police officers, and firemen, who face barriers to housing affordability. Great

Falls Public Schools (GFPS) and the City of Great Falls are exploring innovative solutions, such as utilizing vacant school district land to create workforce housing. A limited-equity cooperative housing model is under consideration to reduce development costs and provide affordable, equity-building options for employees while avoiding traditional landlord responsibilities.

Pilot Project for Workforce Cooperative Housing
As Great Falls grapples with housing challenges, city leaders and local organizations have expressed interest in becoming a pilot project for workforce cooperative housing, potentially exploring the Real Estate Investment Cooperative models. This initiative centers around the possibility of developing cooperative housing on Great Falls Public Schools land trusts (GFPS), leveraging community land trust principles to reduce costs. This project could provide affordable housing for public employees by employing a cooperative model, fostering a sense of community ownership and collaboration.

This pilot project aligns with Great Falls' history of innovation and community-focused development. It offers a sustainable housing solution that can address current workforce needs while serving as a replicable model for other communities across Montana. By embracing cooperative principles and thoughtful planning, Great Falls is poised to become a leader in rural housing innovation, blending tradition with modern solutions to support its residents and ensure long-term viability.

The next steps include a facilitated discussion with other public agencies and officials. MCDC has conducted a co-op 101 with the school trustees and leadership and has been on-site visits to potential locations with city employees. If other agencies engage, MCDC will assist in obtaining planning dollars, explore options for a cooperative solution, and help coordinate additional technical assistance providers in the area including but not limited to NeighborWorks Great Falls, NeighborWorks Montana, and Great Falls Development Authority.

Additional Next Steps:
As the pilot projects progress, MCDC will continue to develop a Cooperative Housing toolkit. The partnership with the Cooperative Development Foundation will extend into the 2025-2026 calendar years, and MCDC will actively seek additional partners and venues to promote the potential of cooperatives in addressing the housing crisis.

Furthermore, MCDC will collaborate with other associations within the cooperative ecosystem to discuss and explore policy solutions to the various challenges mentioned earlier. The findings from these discussions and the results of the pilot programs will be shared with policymakers, with the hope that further initiatives will emerge focused on housing cooperatives. While MCDC is not an advocacy organization, there is a shared motivation within the cooperative ecosystem to support housing at a broader level.

Conclusion

Conclusion: Integrating Key Opportunities for Cooperative Housing Development

As Montana faces significant housing challenges, innovative strategies and partnerships can transform the way communities address these issues. If leveraged, several key opportunities can enhance the development of cooperative housing models while fostering broader community and economic stability.

Utility cooperatives are a crucial player in the cooperative housing landscape. Through the USDA Rural Economic Development Loan and Grant (REDL&G) program, utility cooperatives can provide vital infrastructure support, including water, sewer, and power connections, which are essential for affordable housing development. Incorporating these utilities early in the planning process can create a sustainable, long-term framework for rural cooperative housing, effectively layering funding sources to make these projects more viable.

Another interesting opportunity lies in the integration of Electric Vehicle (EV) Infrastructure. Funded by initiatives like the Greenhouse Gas Reduction Fund (GGRF), the expansion of EV infrastructure can support cross-sector economic development, complementing cooperative housing initiatives by improving accessibility and mobility for rural residents, a critical need identified yet to be tackled. There is also the effort to reconnect Montanans by rail with the Big Sky Passenger Rail Authority working on reconstituting a rail route across the southern portions of Montana.

Another opportunity is utilizing public lands for affordable and sustainable housing. Cascade County Commissioner Joe Briggs is spearheading efforts to utilize County lands for housing, and recent legislation allows counties to transfer public lands for this purpose. This initiative provides an invaluable opportunity to address housing shortages, particularly in high-need areas, by unlocking the potential of underutilized land.

Additionally, school trust lands offer a unique resource for workforce housing, particularly for teachers and essential service providers. The Great Falls proposed pilot program will explore how these lands can be used to meet housing needs for educators, ensuring a focus on fair housing laws while providing stable housing solutions for a critical workforce. This model could be scalable, offering long-term solutions for communities in need.

The exploration of successful housing models from across the country also provides valuable lessons. Cooperative housing models nationwide emphasize sustainable, community-driven development that can be adapted to Montana's unique needs. MCDC's ongoing collaborations with other cooperative developers are fostering innovative housing solutions, informed by these national frameworks.

The Council on Aging's Riverside Crossing pilot project can be a powerful example of how senior housing can integrate extended services, such as healthcare and community engagement, into its design. This approach not only provides safe and affordable housing but also addresses the broader needs of seniors, ensuring their well-being and participation in community life.

Further, homecare worker cooperatives present a promising avenue for collaboration. By integrating these cooperatives into senior housing models, Montana could address the growing demand for quality homecare services while also fostering economic empowerment through worker-owned cooperatives. This integration would align with the broader cooperative ethos, providing stable employment and ensuring that services remain responsive to the community's needs.

Addressing financial and equity considerations is also crucial in the cooperative housing sector. Careful structuring of equity transfers from cooperative ownership models is necessary to maximize member benefits while maintaining affordability. Additionally, understanding how Medicaid treats cooperative equity is vital, as this could impact members' eligibility for services. These issues warrant further exploration to ensure that cooperative housing models are both financially sustainable and equitable for all members.

Finally, cross-sector development holds immense potential for fostering holistic, sustainable communities. Integrating cooperative housing with other critical sectors, such as transportation and food access, can create a more interconnected and resilient system, ensuring that residents not only have access to affordable housing but also to healthy food and reliable transportation options.

By tapping into these key opportunities, Montana can develop cooperative housing models that are not only responsive to the state's housing crisis but also foster broader community resilience and economic stability. These strategies, in conjunction with insights from the Governor's Housing Task Force, represent a comprehensive approach to addressing housing challenges in Montana, ensuring that all residents have access to affordable, sustainable, and community-driven housing solutions.