

## **REGULATORY ENVIRONMENT RECOMMENDATIONS**

### ***1.1 Create a coordinated set of affordable housing development incentives tied to home price and rent targets***

- *Deferral or subsidization of impact fees*
- *Waiver of development review and permit fees*
- *Reduction of land set-asides*
- *Density bonus*
- *Reduced street/sidewalk infrastructure*
- ~~*Expedited review for affordable housing*~~
- *Reduced minimum setbacks*
- *Reduced parking requirements*

The Housing Steering Committee supports the recommendation to create a coordinated set of affordable housing development incentives tied to home price and rent targets. There was consensus among the group that review times are sufficient and do not create additional barriers, so this specific section is omitted from the recommendation.

### ***1.2 Consider proactive rezoning to densities that support affordable housing***

The Housing Steering Committee does not support the recommendation to consider proactive rezoning to densities that support affordable housing. While concerns over unpredictability and the cost of rezoning exist, there was consensus that there are more effective ways to address this. The Housing Steering Committee recommends that the Technical Working Group analyze the current criteria for rezoning a parcel to determine if there are mechanisms that can reduce overall risk for projects that are in alignment with Missoula's Growth Policy.

### ***1.3 Reduce restrictions on development of Accessory Dwelling Units (ADUs) and explore innovative models for their construction***

The Housing Steering Committee supports the recommendation to reduce restrictions on development of Accessory Dwelling Units (ADUs) and explore innovative models for their construction. The Housing Steering Committee supports the proposed amendments to Title 20 as they pertain to ADU development. The committee also directs the Technical Working Group to explore incentivizing the use of ADUs as long-term rentals and/or income targeted housing.

### ***1.4 Coordinated city and county regulatory response to affordable housing needs***

The Housing Steering Committee supports the recommendation to create coordinated city and county regulatory response to affordable housing needs. The Housing Steering Committee acknowledges several areas in which this is already occurring, including the current Land Use and Technical Advisory Committee, the growth policy, and the upcoming annexation policy. The

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committee directs the Technical Working Group to identify other areas in which increased collaboration would support shared housing goals.

1.4-1 Affordable Housing Program Development Collaboration

1.4-2 Coordinated Annexation Policy and/or Regulatory Alignment

1.4-3 Collaborative Management of Urbanized Area of the County

***1.5 Advocate for changes to state-level policies impacting affordable housing***

The Housing Steering Committee Supports the recommendation to advocate for changes to state-level policies impacting affordable housing. The committee directs staff to identify areas of alignment between local housing policy and state-level policies that impact affordable housing.

***2.1 Analyze city and county land assets for potential housing development that serves low – and moderate – income households***

The Housing Steering Committee supports the recommendation to analyze city and county land assets for potential housing development that serves low – and moderate – income households. When setting income targets for housing developed on city and county land assets, the committee instructs staff to research recent changes at the federal level that allows for the averaging of incomes between 30-80 percent of area median income.

***2.2 Create a plan for targeted infrastructure development***

The Housing Steering Committee supports the recommendation to create a plan for targeted infrastructure development. The committee recommends that the city and county create a plan that guides development where current infrastructure exists while addressing infrastructure needs in the urban fringe.

***2.3 Identification and planning of high opportunity development sites***

The Housing Steering Committee supports the recommendation regarding the identification and planning of high opportunity development sites. The committee further recommends that access to transportation act as a key indicator of a high opportunity site.

***2.4 Better Leverage Low Income Housing Tax Credits***

The Housing Steering Committee supports the recommendation to better leverage Low Income Housing Tax Credits and directs staff to create a coordinated strategy for municipal support.

***2.5 Create multi-family housing design standards***

The Housing Steering Committee does not support the recommendation to enhance multi-family design standards. The recommendations found within Making Missoula Home address the lack of design standards within Missoula County, while encouraging the City of Missoula to

enhance the standards that already exist within code. While concerns exist regarding the impacts of infill development on existing neighborhoods, there was consensus among the committee that the current multi-family design standards adequately address these concerns while balancing the cost of compliance.

### ***2.6 Create more predictable infrastructure standards for developments***

The Housing Steering Committee supports the recommendation to create more predictable infrastructure standards for development. The City of Missoula's engineering manual is not up to date and completely reflective of current Title 12 code. This has the potential to create confusion regarding minimal standards versus discretionary standards. The Housing Steering Committee recommends that Development Services complete this update and seek feedback from the community and from development professionals throughout the process. The committee also recommends that the Technical Working Group engage in stakeholder meetings with developers to determine if more substantive changes to Title 12 are warranted.

### ***2.7 Incentives for Townhome Exemption Development (TED) regulation***

The Housing Steering Committee supports the recommendation to create incentives for Townhome Exemption Development (TED) regulation. The Housing Steering Committee supports the proposed amendments to Title 20 as they pertain to TED regulation. The committee also directs the Technical Working Group to further explore incentivizing TEDs by increasing base density to mirror multi-family zoning districts and by addressing barriers to density presented through activity space set-asides and landscaping requirements.

## **CAPACITY BUILDING RECOMMENDATIONS**

### ***3.1 Convene diverse public/private sector working groups to implement housing policy and program goals***

The Housing Steering Committee supports the recommendation to convene diverse public/private sector working groups to implement housing policy and program goals. The committee directs staff to create a process mirroring other successful engagement efforts including the growth policy and the Downtown Master Plan. An implementation plan should be based on clear metrics, ensure consistency and accountability, and provide regular communication and opportunities to engage to the broader community.

### ***3.2 Expand CDFI capacity to administer local affordable housing financial tools***

The Housing Steering Committee supports the recommendation to expand CDFI capacity to administer local affordable housing financial tools. The committee specifically directs staff to research employer funded Homebuyer Down Payment Assistance Programs.

### ***3.3 Work with local nonprofit partners and the development community to expand the approaches to affordable housing development***

The Housing Steering Committee supports the recommendation to work with local nonprofit partners and the development community to expand the approaches to affordable housing development. The committee directs staff to assemble a team of local experts in the fields of housing development, finances, and land use regulation, and real estate law to do a feasibility study around various mixed-income housing development models.

### ***3.4 Collaboration to grow local construction capacity***

The Housing Steering Committee supports the recommendation for collaboration to grow local construction capacity. The committee acknowledged and recommended continued support to the initiatives already in motion to address construction workforce issues through apprenticeships programs and recruitment to the trades. The committee further directs staff to focus on policy solutions that will increase the capacity of local developers to build more complex and dense housing types.

#### ***4.1 Clearly define an assessment framework and data tracking for impacting affordable housing needs***

The Housing Steering Committee supports the recommendation to clearly define an assessment framework and data tracking for impacting affordable housing needs. In addition to tracking benchmarks and data regarding homeownership and the rental market, the committee instructs staff to include trigger points that would mandate a shift in approach to increase effectiveness.

#### ***4.2 Grow consumer programs provided by nonprofit service providers***

The Housing Steering Committee supports the recommendation to grow consumer programs provided by nonprofit services providers. The committee directs staff to proceed with research and policy planning for all three sub recommendations.

4.2-1 Business Plan for Meeting Homebuyer Needs

4.2-2 Expand Homebuyer Education and Down Payment Assistance Resources

4.2-3 Leverage Existing Housing Service Provider Administrative Capacity

#### ***4.3 Affordable housing community education and advocacy campaign***

The Housing Steering Committee supports the recommendation to engage in an affordable housing education and advocacy campaign. The committee directs staff to work with partner agencies and through established neighborhood hubs to educate the community on why attainable housing benefits everyone.

4.3-1 Affordable Housing Educational Campaign

4.3-2 Form a Housing Advocacy Coalition

4.3-3 Expand Public Sector Outreach to Affordable Housing Constituencies

#### ***4.4 Develop affordable housing preservation programs***

The Housing Steering Committee supports the recommendation to develop affordable housing preservation programs. The committee directs staff to proceed with research and policy planning for all three sub recommendations.

4.4-1 Mobile Home Park Preservation Strategy

4.4-2 Affordable Multi- Family Preservation

4.4-3 Affordable Homeownership Preservation

### **FUNDING RECOMMENDATIONS**

#### ***5.1 Create a housing trust fund and explore options for recurring local funding sources***

The Housing Steering Committee supports the recommendation to create a housing trust fund and explore options for recurring local funding sources. The Housing Steering Committee directs staff to engage in asset mapping to understand local resources and needs as they relate to housing for individuals and families at various income levels. The committee directs staff to establish clear criteria and guidelines for the use of Affordable Housing Trust Funds, but encourages flexibility in any adopted ordinance to allow for shifts in prioritization as housing needs in the community change.

5.1-1 Create Affordable Housing Funds

5.1-2 Identify Sources of Capital to Support the Housing Fund

#### ***5.2 Pursue a bond issue for affordable housing***

The Housing Steering Committee supports the recommendation to pursue a bond issue for affordable housing. The committee directs staff to research successful affordable housing bond issues and bring process recommendations back to the group.

#### ***5.3 Better leverage tax increment financing to support housing goals***

The Housing Steering Committee supports the recommendation to better leverage tax increment financing to support housing goals. The committee directs the Technical Working Group to establish proactive policy recommendations that specifically address investment in attainable housing.

## **ADDITIONAL TOPICS DISCUSSED**

### ***Downzoning mobile home parks as a preservation tactic.***

Case law in Montana could consider this a taking. A more effective tactic would be to incentivize the ongoing operation of mobile home parks at the point of sale. This will be addressed in 4.4-1.

### ***The establishment of linkage fees to serve as a new source of revenue for an affordable housing trust fund.***

In the State of Montana, fees structures carry a high burden of proof that directly link the fee to a tangible cost associated with the development. As a result, communities have been ineffective in implementing linkage fees. The City of Bozeman spent significant time researching this potential tool during their 2015 Housing Assessment and ultimately determined it was not allowable by law.

### ***Establishing mandatory inclusionary policy.***

While completing Making Missoula Home, Werwath and Associates determined that mandatory inclusionary policy was not necessary. Given the current needs and gaps, there are less cumbersome and more effective tools that can be implemented. However, the recommendations outlined in 1.1 will create a framework that can be expanded on if future assessments identify a need for a more aggressive approach.

### ***Creating consistent definitions regarding the trigger for relocation assistance when benefitting from city or county subsidies.***

This will be addressed in recommendation 4.1.

### ***Addressing jobs and living wages.***

This topic is larger than our work in the Housing Steering Committee and is something the city and county are addressing through other initiatives. However, we do address supporting the trades and recommendation 3.4.