



**Missoula Housing Policy  
Regulation and Code Technical Working Group**  
Monday September 24, 2018  
3:00-4:00 pm  
Hal Fraser Conference Room

Attendees:

- Daniel Werwath
- Eran Pehan
- Colin Woodrow
- John Wilson
- Elizabeth Erickson
- Don Verue
- Kevin Slovarp
- Ben brewer
- Andrew Hagemeyer
- Jennie Dixon
- Sean Kopetz

Meeting Minutes:

### Welcome & Review

- Watch Public Education video
- Outline meeting schedule and work flow document
- Connect policy change with work being done by the Public Outreach and Education TWG

### Work Flow Document

- Deliverable schedule- core and full group meetings
- 5 meeting outline and expectations and core group meeting schedule

### City/County Collaboration

- Create, continue and increase collaborations
- Open space plan (city)
  - Parks and Rec open space and trails plan
  - Open space conservation
  - Important when discussing demographic, populations growth and shifts on the city-county lines
  - Identify likely areas to be annexed outside the city
- Differentiating natural versus political divides
  - City housing issues versus potential county wide solutions or barriers
- Retiring and Aging Households



- Creative equity tools for financing when taxes increase
  - MOFI
- Urban Growth Commission
  - Mayor, city council members, city staff
  - Shared goals, assets and resources
  - Infrastructure differences
- Transportation
  - Bridging Missoula city to the greater Missoula area
- Sewer and Water
  - Let infrastructure follow development
  - Identify areas of opportunities
  - How far does the city want sewer and water to expand?
- Utility Service Commission
  - Annex plan development
  - UFDA update- Residential growth

## Next Steps

- Core Group Meetings
  - Current infrastructure
  - Major strengths and barriers going forward
  - Opportunities and barriers for future collaboration?



Monday October 16, 2018  
3:00-4:00 pm  
Hal Fraser Conference Room

Attendees:

- Daniel Werwath
- Eran Pehan
- Colin Woodrow
- John Wilson
- Elizabeth Erickson
- Don Verue
- Kevin Slovarp
- Ben brewer
- Andrew Hagemeyer
- Jennie Dixon
- Sean Kopetz

Meeting Minutes:

## Welcome & Introductions

- Daniel reviews his role and expectations for the entire housing policy process, and Regulation and Code specifically. Need for local knowledge and political climate

## Much ADU about Housing

- Conditional Use change process review
- Who opposes ADUs?
  - Worries regarding short term rentals
  - Impact on Student Housing
- Non-Profits
  - May think ADUs do not impact housing market enough
- Leveraging Financial tools
  - Potential future rent as a means for securing financing
  - How would an ADU affect selling the property? Impact on future housing market
- Zoning and Code
  - Set backs
    - Zoning vs engineering definitions
  - Parking
    - Creating a driveway eliminates street parking. One for One trade off
    - Future road use change with increased traffic
    - Offsetting parking requirements based on public transit proximity
  - Design Excellence Overlay
  - Can ADUs exist in more than just single family lots. Duplex or triplexes?



- Should ADUs be required if building a new house?
- Water and Sewer
- Political Challenges
  - Owner Occupancy
    - Who deals with unruly renters?
    - Model landlord rental forms/agreements?
  - How are utilities split and managed
    - Who has the account?
    - If delinquent, how would it be shut off?
- 

## Next Steps

- Core Group Meetings about ADUs
  - Adding duplexes
  - Review land use
  - Permitting
  - Financing
  - Contractors
  - Frequently Asked Questions in Missoula



Monday October 22, 2018  
2:00-3:00 pm  
Hal Fraser Conference Room

Attendees:

- Eran Pehan
- Colin Woodrow
- John Wilson
- Elizabeth Erickson
- Don Verue
- Kevin Slovarp
- Ben Brewer
- Andrew Hagemeyer
- Denise
- Sean Kopetz

Meeting Minutes:

## Recap From Meeting with Daniel

- Goals of Increasing City-County Collaboration
- Deliverable:
  - Increase collaboration regarding housing goals and policy
  - Create city-county joint planning group for developing housing policy, projects and goals in the urban fringe.
    - What is the role and objectives of this joint group?
  - Utilize the Urban Growth Commission to review, and promote collaborative efforts.
    - What is the role of the Urban Growth Commission?
  - Develop Memorandum of Understanding regarding shared goals and priorities for housing to be used as a reference point for collaborative projects.
- Affordable vs Accessible Housing
  - Review the role of this committee as it pertains to promoting housing for all income levels, and how that interacts with low income housing affordability.

## Much ADU about Housing

- Modeling Case Studies
  - Will a case study help identify unknown barriers?
  - Conduct a case study using current regulations and one using proposed changes.
    - Confirm current barriers
    - Identify unexpected outcomes of proposed changes
  - Requirements to be an ADU
    - Kitchen, bathroom, living space
    - ADU vs Vacation rental permitting



- Review current process and discuss with those going through this process
  - Application reviewers
  - Contractors
  - Architects
  - Financial contributors
  - Anna?
- How far did someone get in the process?
- What were the major hurdles?
- Was it easier to do illegally? Easier to scrap the project? Why?
- Owner Occupancy
  - Is this policy mitigating a non-issue problem?
  - Engineering and DEQ regulations
    - Utility/service lines can only combine if one unit is owner occupancy
      - Will this increase costs for adding utility?
    - What is Bozeman's process for non-owner occupied ADUs?
  - Renter market is shifting away from college students.
  - Balance development is all neighborhoods without affecting neighborhood character
- Parking and Scale of Units
  - 1 Unit ADUs are incentivized by having a simple process with few barriers
  - Multiunit ADUs (>600 sq ft) need to comply with parking requirement, ally paving etc)
    - Should this be saved for a future change?
  - Case by Case parking
    - If there is enough street parking, should the parking requirement be waved?
    - What is the review process? Calculation or review board?
    - Proximity to bus or other transit options?
    - Will required parking make a greater impact on neighborhood character?
  - If homeowners build, final inspection loophole
- How can illegal units be brought into compliance?



Monday November 5, 2018  
2:00-3:00 pm  
Hal Fraser Conference Room

Attendees:

- Eran Pehan
- Colin Woodrow
- Montana James
- John Wilson
- Elizabeth Erickson
- Don Verue
- Kevin Slovarp
- Laval Means
- Andrew Hagemeyer

## Meeting Minutes:

### Review of Prior Products and Plan for Next Meetings

- A final draft of the ADU Recommendations will be circulated by email in the next few days. Work Group members are asked to provide feedback via email. There will also be an opportunity to review again along with all other recommendations at the last meeting.
- Next Monday (11/26), Daniel Werwath will conduct a focus group with this group and others on the Affordable Housing Incentives.

### Discussion on the Recommendation of a Proactive Rezone

- Developers commented during the Making Missoula Home process that there is too much risk involved for developers in the rezone process.
- Goals of a rezone would include putting more units on the market and improving the equity of our zoning map.
- County Zoning Amendments in process:
  - Open up any single family zoned areas to duplexes; however would still need appropriate land area.
  - County developed is particularly impacted by infrastructure challenges.
  - The County currently allows ADUs on duplex lots
  - These changes are intended to allow for more housing types.
  - The County is working on a code audit to ensure zoning is accurate and best fit.
- The City has already made some steps in the right direction, so we need to give some credit there.
- Any type of rezone must consider the Growth Policy.
- There are ways to take a broad land use and look at a varied zoning tool that allows for a certain percentage of one type or development and a certain percentage of another type.
  - The value is having tools to allow exploration and innovation.



- Another important consideration is the city protest provision.
- Zoning designations are not the only thing to consider in this process. The process itself of a rezone is valuable and allows for dialogue with the landowner.
- There are also examples of less comprehensive tools, like:
  - Seattle has Small Lot Development Ordinance
  - Helena has no minimum lot size
- In Missoula, we also have rules related to non-conforming uses:
  - If you own a property that has non-conforming uses, if you redevelop or rehab the property, you can continue that use as long as you don't increase the "non-conformity."
  - If a property has ever had a non-conforming use, you can go back to that use even if it has lapsed.
- The City has undertaken some efforts to understand non-conforming uses:
  - About 10 years ago they mapped parcels based on the size and number of units to identify non-conforming
- The group is interested in understanding which zoning districts currently support "missing middle" housing types.
- The group agrees that smaller, more incremental rezones and making use of current tools will be most effective.
- Continued discussions should include:
  - Defining hurdles that exist in the rezone process
  - How hard is it to rezone? Cost? Ways to reduce?
  - Is zoning designed for adequate provision of services, utilities?
- The group would like to promote advanced planning in projects:
  - Required pre-design meeting early in process for projects over a certain size



Monday November 19, 2018

2:00-3:00 pm

Hal Fraser Conference Room

Attendees:

- Eran Pehan
- Colin Woodrow
- Montana James
- John Wilson
- Elizabeth Erickson
- Don Verue
- Kevin Slovarp
- Laval Means
- Andrew Hagemeyer

## Meeting Minutes:

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Monday November 26, 2018

2:00-3:00 pm

Hal Fraser Conference Room

Attendees:

- Eran Pehan
- Colin Woodrow
- Montana James
- John Wilson
- Elizabeth Erickson
- Chase Jones
- Dale Dickles
- Andrew Hagemeyer

Meeting Minutes:

- Goal Discussions for Incentives
  - Baseline structure for encompassing, impactful incentive models
  - Promotes affordability at every step
  - Structured for private and nonprofit developers
- Key Questions and Decision Points
  - Who are the beneficiaries? What are the targeted price points, and how do these incentives not go directly to the developer
  - How are incentives different for developers, builder and non-profits
  - What are the desired income levels targeted and which incentives will most productively impact those people
- Incentives should be standard and simple, so many people and developers can access them.
- Prompt- What is best/most impactful for Missoula?
  - TEDs, single family homes, multifamily, subdivisions.
  - Dependent on Income levels and household sizes. If homeownership is made easier for people at 100% AMI, then while renting assistance is supplied to people between 60 and 80% AMI, the overall affect will be greater and more immediate.
  - How are households qualified? The standard could be the same as LIHTC standards, which is a process familiar to many and already in place.
  - How could these incentives adjust the supply- will the market be flooded?
- Promote preserving current and natural affordable housing, which is cheaper than creating new units.
- Where do incentives take affect?
  - Should the approach be to incentive developers or to provide support for renters and buyers?
  - Are single units targeted or entire developments?
  - What are the qualifiers and monitoring standards that will not drain city staff resources



- How will funds supplied be recaptured and when?
- Incentives recap:
  - Goal is to reduce upfront costs and risks of development
  - Provide funding source to offset cost of utility and infrastructure development
  - Provide parcel size and density incentives for developing to max units.
  - Proactively develop for ADA and Green Energy standards to receive already available incentives.



Monday December 3<sup>rd</sup>, 2018

2:00-3:00 pm

Hal Fraser Conference Room

Attendees:

- Eran Pehan
- Colin Woodrow
- Montana James
- John Wilson
- Andrew Hagemeyer

## Meeting Minutes:

### Review Incentives Package

- Impact fee waivers- required by state law to be paid. This would need a funding source that would be recaptured at sale, 2<sup>nd</sup> mortgage or when it is out of affordability
- Development Review and Permit fees- Not required, but needed for staff functions in the city.
- Density Bonus
  - Current Bonuses are under used/not used at all
  - Which title 20 requirements would be adjustable(e.g. Setbacks, parking)
  - The current code causes concentrated density which could lead to concentrated poverty.
  - The zoning district is a major factor regarding building types and how many extra units are created.
- Regarding all incentives- Who under takes the monitoring?
  - HCD Staff
- Overall impact- What are the goals?
  - Additional units where possible
  - Dispersed density and low income households
  - Gain homeowner support of fair housing in areas that have been adverse to it
- Reduced Infrastructure
  - Streets and Sidewalks
  - This could cause more long term affects and disadvantages on neighborhoods, and goes against the city's Sidewalk Health initiative.
  - With higher density, there will need to be more congestion and potential emergency vehicle needs, which would be hindered with lower infrastructure requirements.
- Subsidized loan fund
  - Funding source used to offset the costs of the development fees that are most impactful for reducing housing costs. Can also be used to increase infrastructure, making an area more desirable for development.



Monday December 10<sup>th</sup>, 2018

2:00-3:00 pm

Hal Fraser Conference Room

Attendees:

- Eran Pehan
- Colin Woodrow
- Montana James
- John Wilson
- Andrew Hagemeyer
- Sean Kopetz

## Meeting Minutes:

### Proactive Rezone Discussion

- TED zoning
  - The recommendation suggests increasing by-right TED developments from 10 units to 25 units. Currently most TED developments are under 10 units or over 25 units.
  - TEDs necessary to offset the challenges of developing subdivisions, while still producing more units per lot.
  - Financing for ownership of a TED units is different depending on Missoula vs State definitions.
  - TED developments do not need risk mitigation of impacts or minimum lot size. They act as de-factor subdivisions, without the accompanying regulations.
- Mitigating Risk in rezoning
  - The city will identify opportunities to promote rezoning as a public benefit
  - The city will also identify opportunity to invest in infrastructure to make potential rezoning areas more feasible for redevelopment.
- Infrastructure Standards
  - There is a need to align definitions between engineering and development services, to ensure that all goals and regulations are being appropriately maximized and met.
  - Identifying discrepancies between title 12 and title 20 will give a clearer picture of potential incentives that are being missed or underused.
- Overview of Housing Policy and the work plan of the other technical working groups.