

Affordable Housing Steering Committee

Thursday, May 25th, 2021, 3:00 PM
Microsoft Teams Meeting

Summary Minutes

In attendance	
<u><i>Steering Committee Members:</i></u> Andrea Davis - <i>Executive Director, Homeword</i> Bronwyn Troutman - <i>Community Living Specialist, Summit</i> Colleen Tenas - <i>Salish Kootenai Housing Authority</i> Emily Harris-Shears - <i>Affordable Housing Trust Fund Administrator, City of Missoula</i> Lynn Stnerson - <i>Mortgage Lender, Stockman Bank</i>	<u><i>Community and Planning Services staff:</i></u> Jordan Lyons, Housing Specialist Melisa Gordon, GCP Manager Karen Hughes, Asst. Director Heather Powers, Administrative Asst. <u><i>ECONorthwest:</i></u> Lorelei Juntunen, Partner, VP Operations Oscar Saucedo-Andrade, Project Manager

Introducing Colleen Tenas from Salish and Kootenai Housing Authority – Katie Miller has left SKHA for a new position, and Collen will be taking her place on the Steering Committee as the agency representative.

Minutes from the April 29th meeting were reviewed and adopted as written.

What can Missoula County do to make housing more affordable that no other entity can do as well?

1. Lynn – Missoula County may be able to implement subsidized workforce housing like what has been done in the Jackson WY area. Workers are turning down jobs in Missoula because they can't find or afford housing here.
2. Andrea – Land mass could be seen as an asset for the county – explore ways to connect contiguous land and continue master planning efforts with private partnerships, assessing the cost and desirability/buildability of land and where we want to develop.
 - What are the county's options? Can we potentially use general obligation bonds or private placement bonds (502c3)? How do the options available to the county differ from municipality capabilities under state law?
 - Lessons learned, Trinity apt. project utilized 4% tax credits and a tax-exempt bond. The city was able to issue tax exempt bonds and cover the associated fees to the state; however, Homeword recently realized that they must pay prevailing wages that are statutorily dictated in the city, and that created \$3.5 million gap. (this will potentially be a topic for a more intensive meeting to dig into the details)
3. Emily – Land assets/use and how to best leverage partnerships and promote complementary strategies. Alignment between the county and city is key to success for all.
4. Bronwyn – Uncertain of how best to answer this question, but emphasized goals of reducing barriers, streamlining the permitting process, being creative with housing types,

supplying workforce housing, not forgetting accessibility for seniors, people with disabilities, and the unemployed.

5. Colleen – She has been with SK Housing Authority for eight years and seen the benefits of agency partnerships; developing and leveraging partnerships is a county strength.

Stakeholder Engagement Update – what is on people’s minds...

- BCC – helping people build generational wealth, developing sustainable programs, addressing urban camping, the temporary safe outdoor space (TSOS) and homelessness
- Community Needs Assessment – received a record 887 responses, high level details were shared (housing was unsurprisingly the top concern) but full results can be found at <http://missoula.co/cna>
- Other stakeholders – met with grants and planning staff, community stakeholders, Kevin Noland (realtor and Lolo Community Council chair), Kaia Peterson (Neighborworks), Claire Mueller (Seeley Lake Community Foundation), Montana James (Community Development, City), Missoula Organization of Realtors (MOR), Collen and Jodi (Salish Kootenai Housing Authority), Jim Morton (Human Resource Council), Amy Hall (Montana Legal Services Association), April Norton (Jackson WY, land trust program)

Who is still missing at the table?

- Consumers – connect with Julie Pavlish, home buyer educator with Homeward
- What is the SKHA region – Lake county and the Flathead Reservation – they provide local rental assistance for students in Missoula, as well.
- Consumers with lived experience – Bronwyn will forward some names
- Contractors/builders – David Edgell and Wade Hoyt, recent lottery system to avoid bidding war. Ryan Frey, small scale infill perspective.

Review Actions, Vision, and Goals

Lorelei and Oscar provide a brief introduction of themselves and ECONorthwest before jumping into the presentation and discussion of what has been drafted thus far for the housing plan and policy framework.

Details of the Plan: what can the county control?

Key themes

- Land use planning & infrastructure role
- Workforce housing
- Supply issue – rapid growth, contractors, cost, lending

Many of the right tools are in place but not scaled to the problem

- Missing targeted pieces – home ownership and homeless service provision
- Integration between county and city on various housing programs – improve and expand coordination
- Combinations of regulatory and funding efforts need to be coordinated – i.e. those with rights of first refusal then need funding support available to buy and redevelop

- Reliance on federal funds – the 80% area median income restriction has excluded a large portion of the workforce
- Challenges for developing adjacent to and outside of urban areas
- Subdivision requirements, time, cost, etc.

Vision, Goals, and Guiding Principles – what is missing or needs more wordsmithing:

Vision

We envision a Missoula County where every individual and family has a home they can afford.

Goals

1. *Support construction of new housing by reducing regulatory barriers and expanding infrastructure in areas anticipating growth.*
2. *Preserve affordable housing stock.*
3. *Provide opportunity for development of a range of housing types.*
4. *Focus services and support development of attainable housing for the most vulnerable.*
5. *Align programs and resources to support housing stability and access for low-income renters and homeowners.*
6. *Improve coordination of funding, programs and staff resources between the county, city, and housing providers*

Guiding Principles

- *Diversity: A healthy housing market includes options and resources for all Missoula County residents, and this plan reflects input from diverse members of our communities.*
- *Innovation: A commitment to innovation will ensure that this Housing Strategy is as dynamic as the communities it serves.*
- *Collaboration: Missoula County's Affordable Housing Strategy relies on the collaborative spirit of communities across the county, along with strong partnerships with the city, non-profit service providers, and the private sector.*
- *Achievability: While the goals of this Affordable Housing Strategy are ambitious, they are also achievable. They reflect the unique strengths, limitations, and opportunities that the issue of attainable housing presents to Missoula County.*

The committee feels that the Vision statement is good.

Suggestions for tweaking the Goals:

- Merging/editing 4,5,6 to highlight the focus and clarify differences between goals
- A clear, specific, standalone equity goal may be desirable
- Potentially add a workforce homeownership goal
- Is 2 a market item or a supported item – it can be both

The committee feels that the Guiding Principles are good.

Preliminary Actions – initial brainstorming is organized into three categories:

Building New Housing Units:

- *Infrastructure incentives for affordable housing*
- *Establish zoning County-wide*
- *Petition zoning districts transitioned to County zoning*
- *Waiver of development review and permit fees*
- *Waiver of land use/subdivision requirement for affordable housing (I.e., manufactured homes)*
- *Defer or subsidize impact fees*
- *Reduction of land set asides*
- *Density bonus*
- *Expedited review for affordable housing projects*
- *Reduced parking requirements and setbacks*
- *Provide gap funding to support housing production*

Programs & Funding:

- *Down-payment assistance (with lower eligibility requirements)*
- *Housing trust fund (Contribute to City's housing trust & expand the reach to county-wide)*
- *Land banking (where there is infrastructure or planned)*
- *Infrastructure provision for community expansion*
- *NOAH acquisition*
- *Right of first refusal for non-profit housing providers*
 - Bridge Apartments example: Is a deed restriction necessary? Can additional funding sources be used to create affordability for an extended period or into perpetuity? What are the legal aspects of this that may require further research? (Jordan will follow-up)
- *Increase funding for county-wide homeless services; update of the 10-year plan to end homelessness*
- *Ongoing funding for sanctioned camping locations*

Administrative

- *City & County coordination for infrastructure provisions (especially in the donut)*
- *County permitting system improvements for speedy process*
- *Inventory of affordable units funded with County grants/money*
- *Legislative advocacy is key*

Suggestion from meeting chat: consider Regulation as its own category outside of Administration (some items under New Housing would go there)

Is there a need to specifically highlight Reservation/Native American homeownership?

- A streamlined process to get a mortgage already exists
- The foreclosure process is a nightmare – conflicts between federal and tribal courts – this is not something that the county policy can touch

Top priorities for Preliminary Actions (virtual dot-exercise):

- Expedited review of affordable housing projects
- Establish zoning county-wide
- Fix the subdivision timeline (x2)
- Infrastructure incentives for affordable housing (x2)
- Reductions in permitting red tape
- Creation of a housing trust fund (with or without the city)
- Land banking
- Down payment assistance expansion (x3)
- Acquisitions – NOAH & RoFR
- Legislative advocacy cannot be overlooked

Next Steps

The third meeting will be in June; ECONorthwest feels we are on track for the timeline and drilling down into specifics. Discussions with stakeholders are ongoing and they are continuing to analyze the available data.

At the next meeting, the revised recommendations and feedback will be discussed, input will be solicited on the strategic elements of each recommendation, and the steering committee will be asked to review draft questions for a second round of stakeholder engagement.

General suggestions from the steering committee for the next meeting(s):

- Breakout discussion sessions
- Run ideas through a jurisdictional filter
- Will there be technical working groups down the road?
 - When is the best time to do so?
 - Figure out if programs are feasible prior to attempting adoption – strategy vetting
 - Inviting stakeholders with specific expertise to the table for this step – multiple teams to focus on specific areas – comparable to city process
- Frontload the meeting with an overview of process and where we're currently at.
- Potentially have an in-person meeting down the road...

Meeting adjourned

The next Steering Committee Meeting is scheduled for June 24th, 3:30 p.m.

Minutes prepared by Heather Powers, Community and Planning Services.