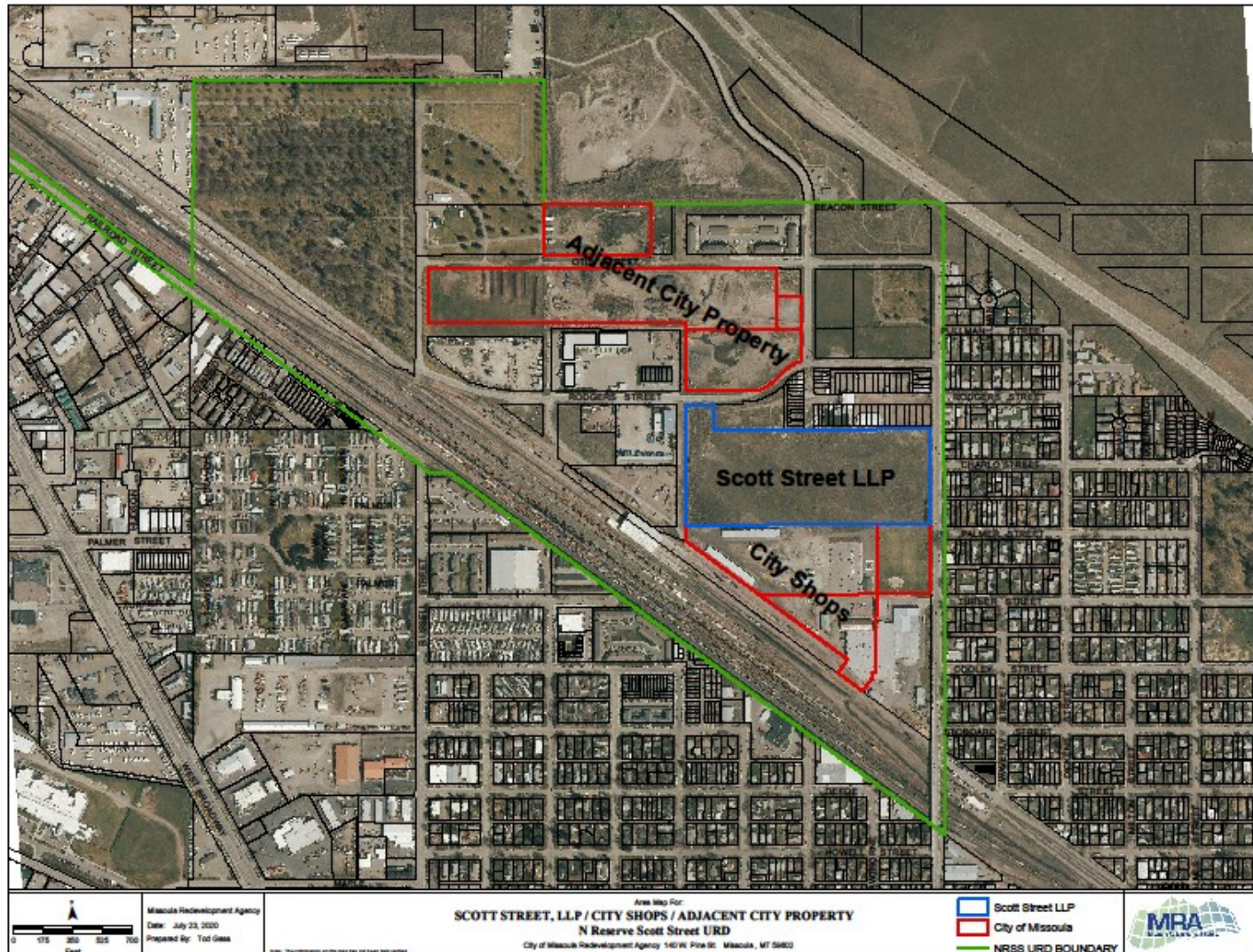


# Scott Street Parcel A Letter of Intent



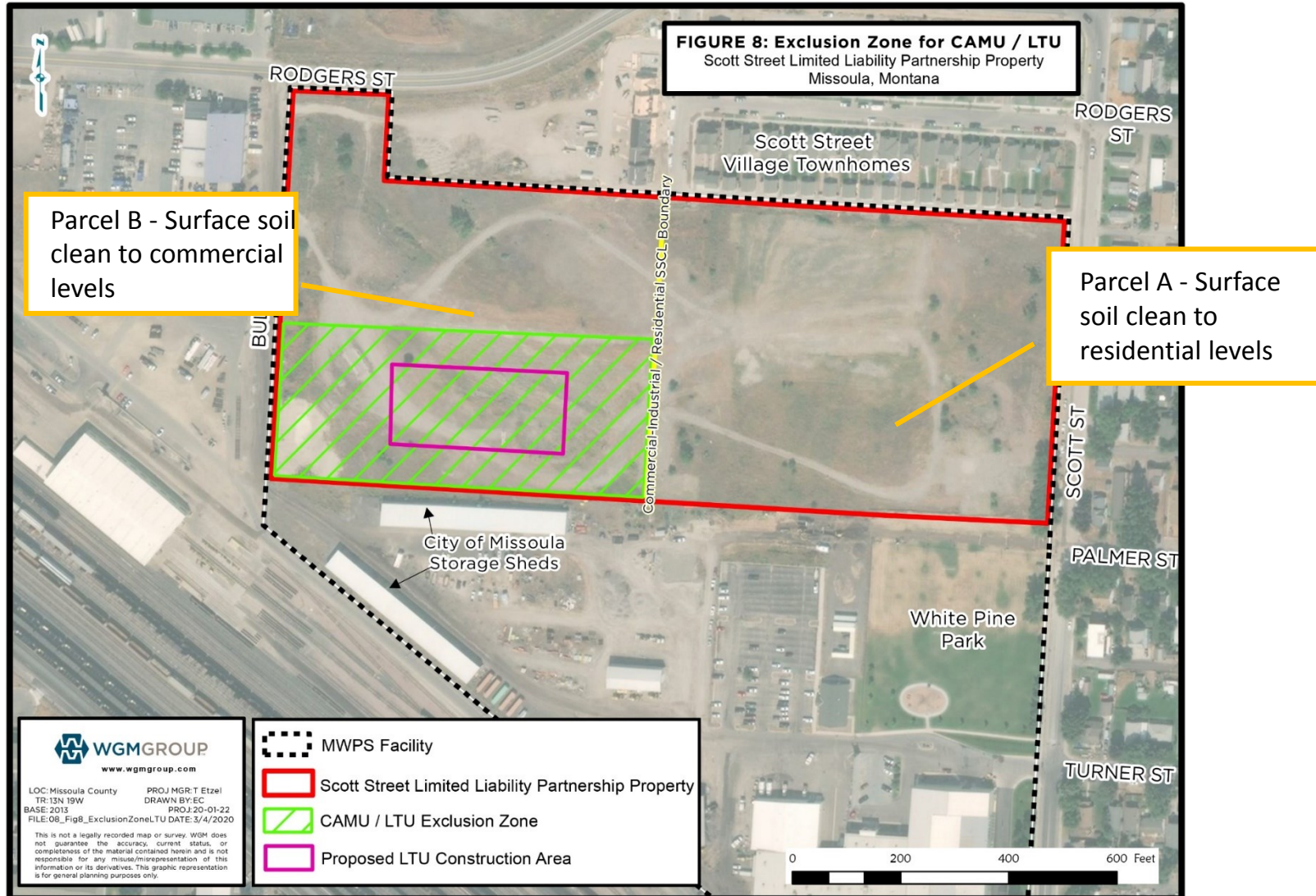
Committee of the Whole  
February 3, 2021

# Site Location





# Parcel A and Parcel B of Scott Street Lot



# Site History and Current Status

- Formerly part of White Pine Sash wood manufacturing and treatment facility
- Designated as a state Superfund site; Huttig Building Products responsible for remediation
- East half (9.8 acres) surface soil has been cleaned up to residential standards
- West half (9.3 acres) surface soil has been cleaned to commercial/industrial standards but cannot be fully redeveloped until Land Treatment Unit has been decommissioned (@ 2024)
- City acquired site in August 2020

# Potential Future Uses at Time of Purchase

(Proposed development scenario from 8/3/20 Council Meeting)

- Plans will consider neighborhood comment and existing and necessary infrastructure, including transportation grid
- Proposed uses include:
  - Housing and/or mixed use on east side
  - Public Works operations on west side
- Possible public/private/nonprofit partnerships

# Process

- **Phase I:** negotiation of a buy-sell agreement, due diligence, and navigation of several issues with Huttig Building Products, Inc. and the Montana Department of Environmental Quality (DEQ).
- **Phase II:** MRA Board and City Council consideration with public comment.
- **Phase III (current phase):** planning site use and evaluation of necessary infrastructure and transportation grid. Redevelopment of the eastern half of the Scott Street Parcel for residential and other community-oriented uses.
- **Phase IV:** redevelopment of the western half of the Scott Street Parcel to centralize City Public Works operations.

# Meeting City Goals

## A Place to Call Home: Guiding Principles

- **Diversity.** A healthy housing market includes options and resources for all Missoulians.
- **Innovation.** A commitment to innovation will ensure that this housing policy is as dynamic as the community it aims to serve.
- **Collaboration.** Missoula's housing policy relies on the collaborative spirit of this community and strong public-private partnerships.
- **Achievability.** While the goals of this housing policy are ambitious, they are also achievable. They reflect realistic projections of city resources and the opportunities we have at our disposal.

# A Place to Call Home: Meeting Missoula's Housing Needs



**Goal:** Partner to Create and Preserve Affordable Homes

**Strategy:** Expand Affordable Homeownership Options

**Recommendation:** Explore Entrepreneurial Nonprofit Development Models

**Recommendation:** Donate City-Owned Land for Affordable Housing Development

Five-year Strategic Outcome: Incentivize the construction of 100 homes for families earning up to 120% of Area Median Income ([engagemissoula.com](http://engagemissoula.com)).

Goal Achieved: An estimated 70 permanently affordable Community Land Trust homes will be constructed. This, in addition to the seven units constructed as part of The Reed Condos, **meets 77% of our five-year goal.**



# A Place to Call Home: Meeting Missoula's Housing Needs



**Goal:** Align and Leverage Existing Funding Resources to Support Housing

**Strategy:** Establish an Affordable Housing Trust Fund

**Recommendation:** Adopt a Trust Fund Ordinance or Resolution

**Recommendation:** Create an Allocation and Administration Process

**Recommendation:** Align Existing Funding Sources into the Trust Fund Allocation Process

**Recommendation:** Explore New Funding Sources

Goal Achieved: An estimated \$1.7 million dollars into the Affordable Housing Trust Fund, for a total of \$2,450,000 committed this fiscal year.

# A Place to Call Home: Meeting Missoula's Housing Needs

## **Additional Housing Policy Goals:**

- Provide a diversity of housing options at prices Missoulians can afford, with the acknowledgement that housing affordability is deeply tied to the ability to achieve more compact development patterns.
- Provide opportunities for small-footprint development and sustainable building design, providing natural long-term affordability for homeowners and achieving our energy conservation goals.

## **Goals Achieved:**

- The construction of innovative and sustainable housing types to meet a range of needs.
- The creation of a planning process that serves as a prototype, informing future City-driven development.

# Promoting Equitable Growth and a Resilient and Sustainable Community

**Community Goal:** Provide walkable neighborhoods with key services and amenities that have been identified by Northside and Westside residents.

## **Goals Achieved:**

- A child-care facility to address a pressing need.
- The addition of commercial use to serve as community gathering spaces, which may include food and beverage establishments.

# Elements of the Development Proposal

## **Private Sector led development plan**

- Goodworks Ventures (dba Ravara Development LLC) acts as master developer
  - Engages planning and design consultant who will:
    - Provide for conceptual design of the site
    - Provide for conceptual design of adjacent City-owned sites
    - Identify and propose infrastructure improvements necessary to support development of this site, as well as other recent and proposed developments
    - Engage key stakeholders and the neighborhood through a public process
  - Acquires approximately 6 acres at \$7.30/square foot for market-rate housing, neighborhood commercial use, and purpose-built day-care facility

# Elements of the Development Proposal

## **Private Sector led development plan**

- Goodworks Ventures (dba Ravara Development LLC) acts as master developer
  - Acts as master developer for the development of approximately 3 acres of land that will be placed in a community land trust
    - Permanently affordable home ownership opportunities
  - Provides capital and resources necessary to develop the property
- City of Missoula acts as landowner and resource for infrastructure development
  - Sells and conveys lands consistent with above
  - Partners in leading the conceptual design and public process
  - Invests in planning process and future infrastructure improvements, primarily through MRA
  - Places proceeds of sale in the affordable housing trust fund



# Elements of the Development Proposal

## Ravara Parcel

- 6-acre parcel for market rate development
  - Housing – innovative housing types to maximize density while retaining neighborhood character
  - Neighborhood commercial – opportunities for food and beverage business such as a tap room and restaurants
  - Purpose-built space for day-care provider tenant
  - Employment center opportunities – potential commercial building with City Public Works as tenant
  - Estimated proceeds from sale between \$1.6M-\$1.9M depending on ROW dedication
    - Placed in affordable housing trust fund to benefit permanently affordable homes at this site and sites throughout Missoula

# Elements of the Development Proposal

## **Community Land Trust Parcel**

- 3 acre parcel for permanently affordable home ownership units
  - Target buyers with an income at 120% or below the Area Median Income
  - CLT model will provide access to and create a limited equity model that will keep units permanently affordable
  - Additional resources to support affordability from AHTF
  - Anticipate approximately 70 home ownership units, creating the largest permanently affordable home ownership development in Montana history

# Elements of the Development Proposal

## Conceptual Design and Public Process

- Letter of intent establishes a minimum density of 24 units per acre. Existing zoning provides for a maximum density of 43 units per acre
- Intention to provide innovative housing types to maximize density while maintaining neighborhood character
  - Missing middle target: live/work, townhouse, bungalow court, etc.
- Conceptual design for adjacent City property to ensure transitions between uses and opportunities for shared spaces such as parking
- Provide for infrastructure plan to address needs for this development and others in the neighborhood

# Process for Selecting Goodworks Ventures “Reasonable Procedures”

- “A municipality may dispose of real property in an urban renewal area to private persons only under reasonable procedures as it shall prescribe...” (MCA 7-15-4263).
- Implementation of Adopted Plans & Policies/Adopted Vision for the Site
  - Growth Policy, Urban Renewal Plan, North Reserve/Scott Street Master Plan, Housing Policy (A Place to Call Home)
- Attraction of Private Developers & Investors within Opportunity Zone
  - Missoula Economic Partnership promotion of the site under contract with MRA through neighborhood listening sessions, work with the OZ Technical Working Group, engineering site analysis and identification of and presentations to potential partners/investors
  - MEP identified and referred Goodworks to the City for the Scott Street property redevelopment

# Moving Forward/Next Steps

Upon City Council findings that “reasonable procedures” have been met and approval of the Resolution:

- Engagement of design firm, to be funded by MRA, to participate in a public process for conceptual design of the site, including housing types, densities, infrastructure, mixed use components, market analysis and off-site impact mitigation – Spring 2021
  - MRA Board consideration for funding – 2/18/21
  - Design team contract with Goodworks – 3/21
  - Public process and conceptual design – 3/21 – 6/21
- Creation of Purchase and Development Agreements based on conceptual design and analysis – Summer 2021
- Closing on purchase of approximately 9 acres within 180 days – Summer 2021
- Partnership among developers, City, MRA and MEP to maximize development of the site and mitigation of off-site impacts



# Recommendation to Council

- Approve a resolution:
  - Authorizing the sale of approximately 6 acres of Parcel A to Ravara Development, LLC for the purposes and requirements in the Letter of Intent;
  - Authorizing the conveyance of approximately 3 acres of Parcel A to a community land trust for permanently affordable home ownership opportunities consistent with the Letter of Intent; and
  - Determining that the procedures used to establish the relationship with Ravara are considered reasonable

# Continuing Public Engagement

- News and updates
- Opportunity to ask questions
- Opportunity to provide feedback

<https://www.engagemissoula.com/scott-street-land-purchase>