

Missoula City Council Housing, Redevelopment, and Community Programs Committee Minutes

DRAFT

July 20, 2022

3:20 PM

ZOOM Webinar

Members present: Stacie Anderson, Mirtha Becerra, Daniel Carlino, John P. Contos, Jordan Hess, Gwen Jones, Kristen Jordan, Mike Nugent, Amber Sherrill, Sandra Vasecka, Heidi West

Members absent: Jennifer Savage

Heidi West, Committee Chair, called the meeting to order at 3:20 p.m.

1. ADMINISTRATIVE BUSINESS

1.1 Roll Call

Rhea Sanders called the roll.

1.2 Approval of the Minutes

1.2.1 Approval of the Minutes From July 13th 2022

The minutes were approved as submitted.

2. PUBLIC COMMENT

There was no public comment

3. COMMITTEE BUSINESS

Kristen Jordan joined the meeting at 3:22.

3.1 Sleepy Inn Property – Information Update

Anette Marchesseault, Project Manager/Redevelopment Specialist, Missoula Redevelopment Agency (MRA), and Dale Bickell, Chief Administrative Officer for the City of Missoula gave background information and outlined the future redevelopment of the Sleepy Inn site. Annette Marchesseault presented information regarding the West Broadway Master Plan, how the Sleepy Inn site is incorporated within this plan. Ms. Marchesseault outlined the redevelopment strategy, requirements, proposal for sale, demolition, and tentative schedule. She reiterated the funds from the sale of the property would go to the Affordable Housing Trust Fund (AFTF). For more information, please refer to attached video.

Council members discussed the development of permanently affordable housing at the site. Ms. Marchesseault and Mr. Bickell spoke to the factors that complicate the development of affordable housing at that specific site. They outlined the plans for affordable housing spread throughout the Master Plan area. Ms. Marchesseault mentioned the Broadway Master Plan was adopted after the purchase of the Sleepy Inn which made it necessary to look at the plan as a whole, not site specific.

Council members questioned the estimated value versus the purchase price of the Sleepy Inn and requested clarification on the use of MRA funds and funds for site demolition. Mr. Bickell elaborated on the research and valuation opinions that were obtained that validated the purchase price. Ellen Buchanan, MRA Director, indicated the possible utilization of Tax Increment Financing (TIF) funds for demolition of the site and Brownfields funds to aid in other aspects of the deconstruction. She also reiterated the need to demolish the site, outlining increased safety hazards due to property condition.

A council member gave background on the Affordable Housing Trust Fund and commented that the funds from the sale of the Sleepy Inn site could potentially be leveraged for affordable housing to a greater extent within the Master Plan.

Council members, Mr. Bickell, Ms. Marchesseault and Ms. Buchanan discussed the following:

- Total purchase/operating costs of the site
- FEMA refunds received to offset operating expenses
- Origination of funds for the purchase of the property came from MRA
- Proceeds from the property sale would go directly to the Affordable Housing Trust Fund
- The identification of the Sleepy Inn as an ideal property for redevelopment as a gateway property within the Broadway Master Plan
- How the city will work to ensure private developers align their vision of the property with the city's goals
- TIF fund requirements as they pertain to deconstruction and redevelopment of property
- Design excellence overlays, the bearing these overlays have on affordable housing, property types exempt from the overlays, and corridors where design excellence standards apply
- Current site appraisal/valuation plans
- The need for public engagement throughout the development process

Public Comment:

Brittney Palmer of the North Missoula Community Development Corporation (NMCDC), questioned affordable housing in regard to the Master Plan.

Julie Lacey, Director of Economic Development for the Missoula Economic Partnership (MEP), supported the city's sale and development strategy regarding the Sleepy Inn.

Diane Stensland-Bickers expressed gratitude for the city's efforts in this plan.

Bob Oaks of the NMCDC commented on the Master Plan and affordable housing possibilities.

3.2 Short Term Rental Data Analysis

Rikki Henderson, Housing Program Manager, Community Planning Development and Innovation (CPDI) reviewed the short-term rentals ordinance, registration requirements, trends, fees and data analysis. Ms. Henderson mentioned short term rentals make up only 1.5% of the total housing market. She reviewed the known information to include the number of short-term rentals listed in the city as well as highlighted the growth

percentage, type of rental listing, and areas of higher listing concentration. She also elaborated on the information they were unable to obtain from the data collected including reasons people are listing their homes, whether code enforcement will change number of units on long-term rentals, frequency of rental, occupancy status and displacement of renter if compliance is enforced. Ms. Henderson introduced Email Harris-Shears, Housing Policy Specialist CPDI who elaborated on the characteristics of the data including profitability and the breakeven point for profit for long-term renting vs. short term rentals. Ms. Harris-Shears introduced Montana James, Deputy Director of CPDI. Ms. James gave information on the dynamic nature of the short-term rental market. She emphasized the need to gather more nuanced and local information regarding the market in Missoula. She highlighted the current data does not support the conclusion that tourist homes are taking up a significant portion of available housing at this time. Ms. James outlined the next steps regarding continued monitoring, improved compliance requirements, increased fee structure, and possible future ordinance updates.

Council questioned what the appropriate data tool would be to gather more meaningful information on short-term rentals. Ms. James mentioned the possible use of a community-wide survey to obtain the level of detail needed to extract more meaningful data. Council also questioned if there was an option to zone the short-term rentals as commercial. Ben Brewer, Planning Supervisor CPDI, elaborated that use designation is a matter of code reform. Mr. Brewer also gave information on other types of businesses allowed to operate in residential areas, including childcare entities. A council and Mr. Henderson discussed registration fees including the possibly of a sliding scale or means test based on income. They also discussed how the impact of short-term rentals on the market is measured. Ms. James elaborate on the process used to establish impact.

PUBLIC COMMENT

Trish, Air BnB rental owner, commented on the benefits of operating an Air BnB versus long term rentals.

Council Chair requested this item be revisited at a future committee meeting for further discussion.

4. **ADJOURNMENT**

4:56 p.m.