

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

DRAFT

November 9, 2022

9:50 AM

Council Chambers (in person) or TEAMS (virtually)

Attend in person: City Council Chambers, 140 W Pine, Missoula MT

Members present: Mirtha Becerra, Daniel Carlino, John P. Contos, Sierra Farmer, Gwen Jones, Kristen Jordan, Mike Nugent, Jennifer Savage, Amber Sherrill, Sandra Vasecka, Heidi West

Members absent: Stacie Anderson

1. ADMINISTRATIVE BUSINESS

The Committee Chair, Heidi West, called the meeting to order at 9:51 a.m.

1.1 Roll Call

Rhea Sanders called the roll.

1.2 Approval of the Minutes

1.2.1 Approval of the Minutes from October 26th, 2022

The minutes were approved as submitted.

1.2.2 Approval of the Minutes from November 2nd, 2022

The minutes were approved as submitted.

2. PUBLIC COMMENT

There was no public comment.

3. COMMITTEE BUSINESS

3.1 Appointments to the Affordable Housing Resident Oversight Committee

Emily Harris-Shears, housing policy specialist in the Community Planning, Development and Innovation department introduced the recommended community member appointment of alternate Emily Shankle to the vacant regular member seat and the promotion of Colin Lane to an alternate member of Affordable Housing Resident Oversight Committee (AHROC).

Chairperson West recapped the recent council rules changes on committee appointments.

There was no public comment.

Moved by: Mike Nugent

Promote Emily Shankle to the vacant regular member seat on the Affordable Housing Resident Oversight Committee, beginning immediately and ending on May 31, 2025, fulfilling the remainder of a vacated term, community member seat.

AYES: (11): Mirtha Becerra, Daniel Carlino, John P. Contos, Sierra Farmer, Gwen Jones, Kristen Jordan, Mike Nugent, Jennifer Savage, Amber Sherrill, Sandra Vasecka, and Heidi West

ABSENT: (1): Stacie Anderson

Vote results: Approved (11 to 0)

Moved by: Mike Nugent

Appoint Colin Lane to serve as an alternate member on the Affordable Housing Resident Oversight Committee, beginning immediately and ending on May 31, 2025, fulfilling the remainder of a vacated term, community member seat.

AYES: (11): Mirtha Becerra, Daniel Carlino, John P. Contos, Sierra Farmer, Gwen Jones, Kristen Jordan, Mike Nugent, Jennifer Savage, Amber Sherrill, Sandra Vasecka, and Heidi West

ABSENT: (1): Stacie Anderson

Vote results: Approved (11 to 0)

3.2 Affordable Housing Trust Fund Reserve Balance Funding Recommendation for the Centralized Housing Solutions Fund

Emily Harris-Shears, housing policy specialist in the Community Planning, Development and Innovation department gave background on the Affordable Housing Resident Oversight Committee (AHROC) composition and function. She provided information on the purpose of the Affordable Housing Trust Fund Reserve Balance and the funds available. Ms. Harris-Shears highlighted the funding request from the United Way of Missoula in the amount of \$80,000.00 for their Consumer Housing Services Fund (CHSF) and described the intent of the funds. She described the previous impacts of the funds and touched on the discussion and recommendation of the AHROC regarding this request.

Gwen Jones made the motion and spoke positively regarding the item.

Public Comment:

Susan Hay Patrick, chief executive officer of the United Way of Missoula County commented on the necessity of a partnership between nonprofits and the public sector. She gave examples of successful partnerships. She provided information on the CHSF and its positive impacts on the community.

Committee member Mike Nugent noted for the record he will abstain from the vote due to his position as the president of the board of directors of the United Way of Missoula County. He reiterated his full support of the motion and spoke positively to it.

A committee member clarified the motion is to set a public hearing.

Moved by: Gwen Jones

Set a public hearing for Monday, November 28, 2022, to consider the funding recommendation made by the Affordable Housing Resident Oversight Committee to fund United Way of Missoula County to operate the Centralized Housing Solutions Fund.

AYES: (10): Mirtha Becerra, Daniel Carlino, John P. Contos, Sierra Farmer, Gwen Jones, Kristen Jordan, Jennifer Savage, Amber Sherrill, Sandra Vasecka, and Heidi West

ABSTAIN: (1): Mike Nugent

ABSENT: (1): Stacie Anderson

Vote results: Approved (10 to 0)

3.3 Tourist Home Fee Update

Emily Harris-Shears, housing policy specialist in the Community Planning, Development and Innovation department provided an update on the next steps and recommendations regarding Tourist Homes and Short-Term Rentals (STR). She recapped the data provided earlier in the year including current STR registration fees, the STR growth, unit characteristics and use estimates. She presented the tourist homes licensing and registration fee increase recommendation and the rationale behind the increase. Ms. Harris-Shears highlighted the community outreach initiatives regarding STR's and the feedback received from these interactions. For more information, please see the attached video.

Ms. Harris-Shears discussed the following with the committee:

- Clarification on the current and proposed fee structure.
- Whether the fee increase would decrease compliance in registering STR's.
- The make-up of community members during the outreach sessions.
- Lack of information available regarding the number of STR's operated by out-of-state investors versus local operators and the potential impact of the fee increase on individuals that depend on STR's as an income source.
- The composition of community members at the outreach events including STR operators and concerned community members.
- The breakdown of the proposed fee structure and services, the separate Health Department fee, whether the proposed fee increase is on par with peer communities, the industry recommendations on pricing, the potential for incremental fee increases over time and who the registration applies to.
- The measured approach to community STR registration outreach and how that approach would look including registration education and expectations.
- The average nightly rate charged for short term rentals, the multiplier used to determine the proposed fee, ways to encourage registration compliance, the present system does not include penalties currently.
- Staff time currently dedicated to STR's and staff time that would support the proposed new process of active monitoring and registration guidance.
- Clarifying the registration requirement including whole home rental and state law definitions.

Committee member Becerra made the recommended motion.

Public Comment:

Erin Smith, short-term and long-term rental operator, gave experiences regarding operating a STR. She expressed concerns with the fee increase and staffing plan. She provided suggestions including an incremental increase and merit-based fees.

Janna Moser, short-term and long-term rental operator, commented on the report data regarding STR's impact on the housing stock. She remarked on the differences between long term and short-term rentals, the taxes imposed on STR's, questioned the benefits of the proposed fee and the communication of the registration requirement.

Jim Nugent, City of Missoula Attorney, noted the penalty provisions outlined in the Missoula Code book and provided observations regarding the structure of licensing.

Kevin Hunt, of the Rattlesnake area, commented on the fee goals, STR's breakeven point, STR's impact on the housing in Missoula, and gave views on the use of funds from the fees.

A committee member reiterated the motion and recommended holding the item in committee for further discussion.

Chairperson West kept the motion in committee for further discussion. There was no objection.

Adopt a resolution of the Missoula City Council amending Exhibit A, the Business Licensing fee Schedule in Resolution 8615, to revise fees for Tourist Home registration.

3. ADJOURNMENT

The meeting was adjourned at 11:12 p.m.