

2022 Housing Displacement Findings & Recommendations



Housing, Redevelopment & Community Programs Committee

January 2023

Overview

Wednesday, January 11, 2023

- Housing Landscape
- Listening Sessions & Outreach-purpose & approach
- Themes & Findings

Wednesday, January 18, 2023

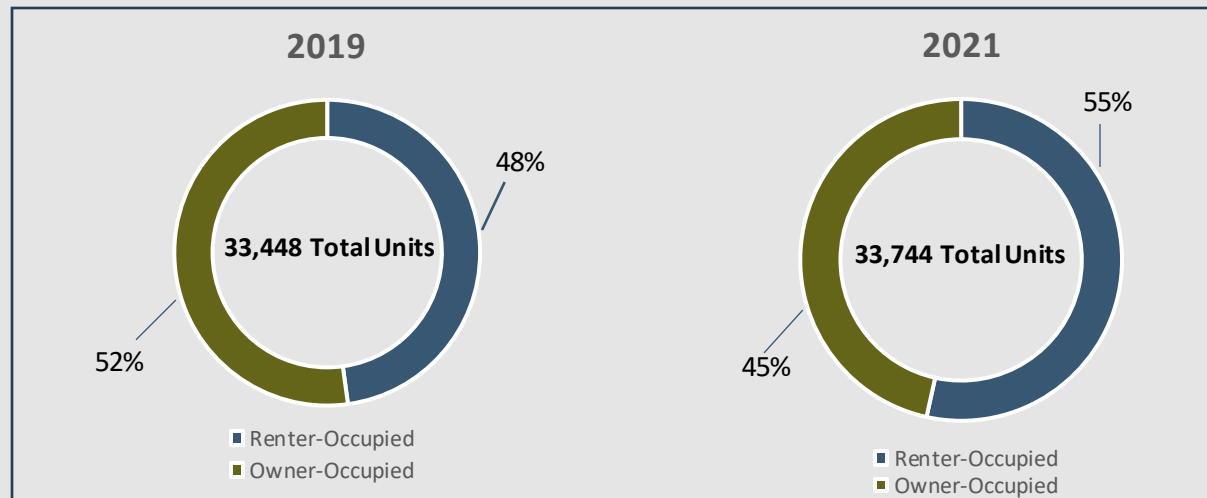
- Recommendations
- Questions & Conversation



2022 Housing Landscape Assessment



Occupied Units by Type

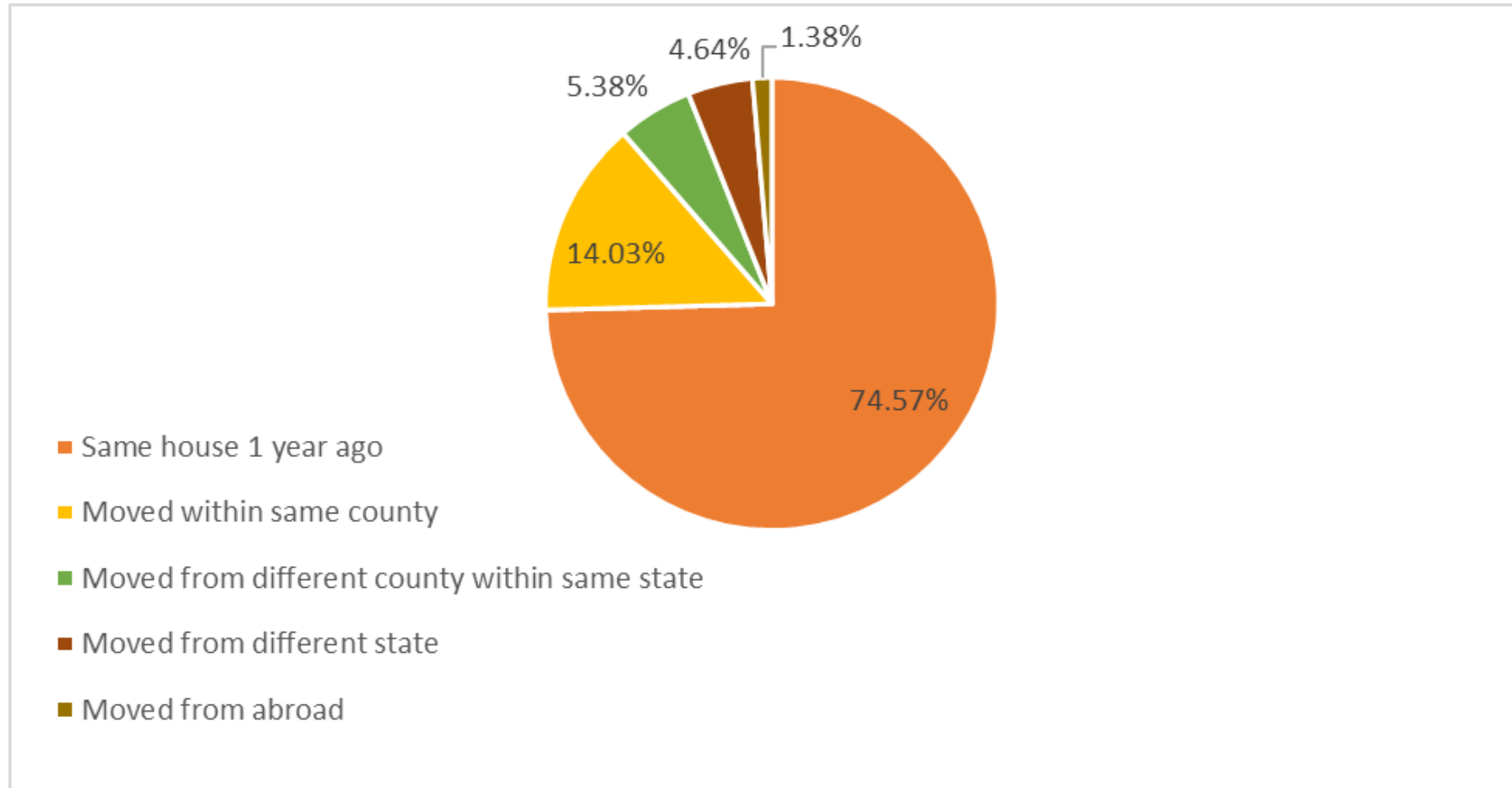


Source: US Census Bureau, 2019 & 2021 Table S2503



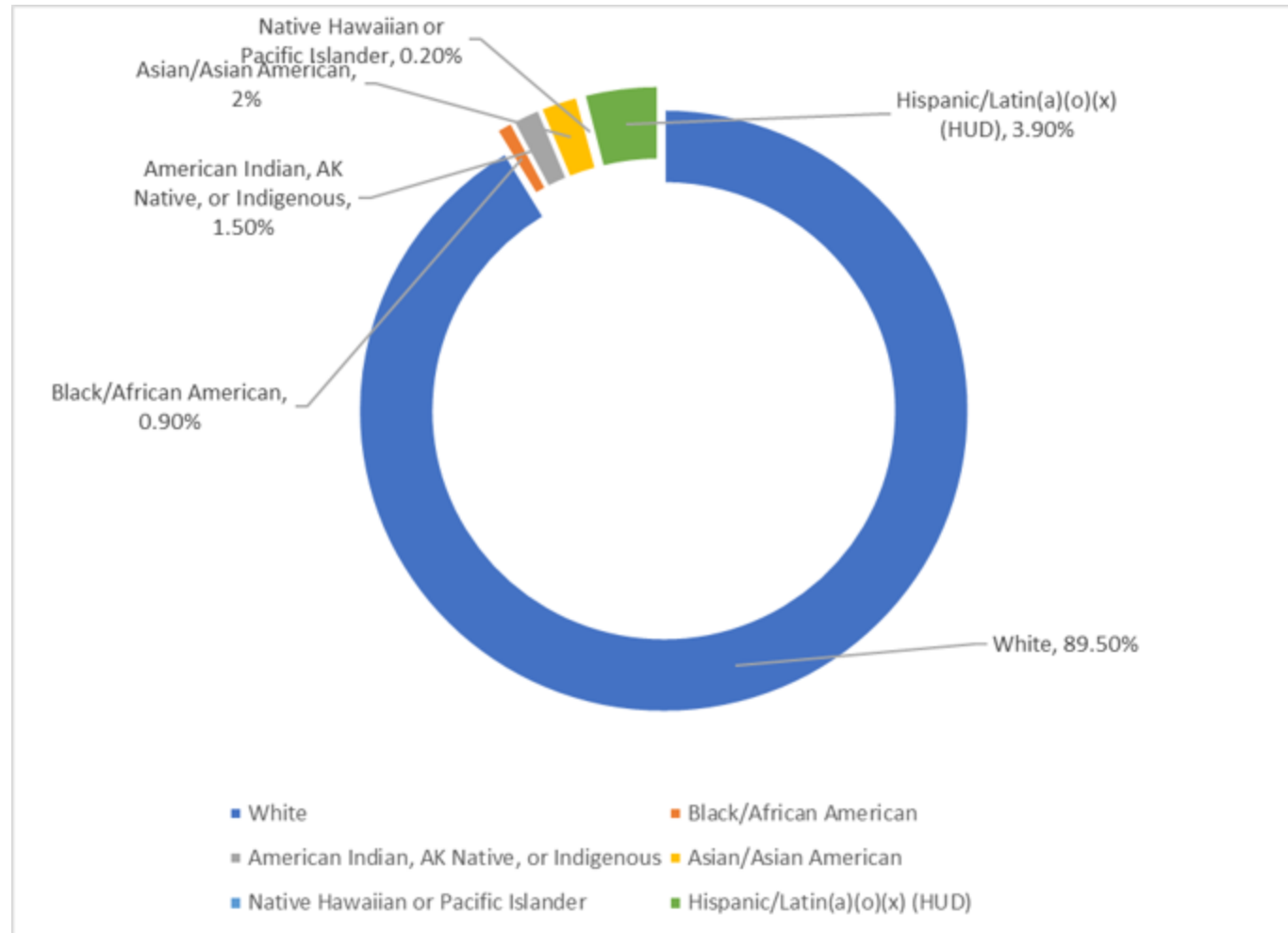
2022 Housing Landscape Assessment

Geography & Mobility Characteristics, 2021



Source: Census Bureau, ACS 2021 Geographical Mobility

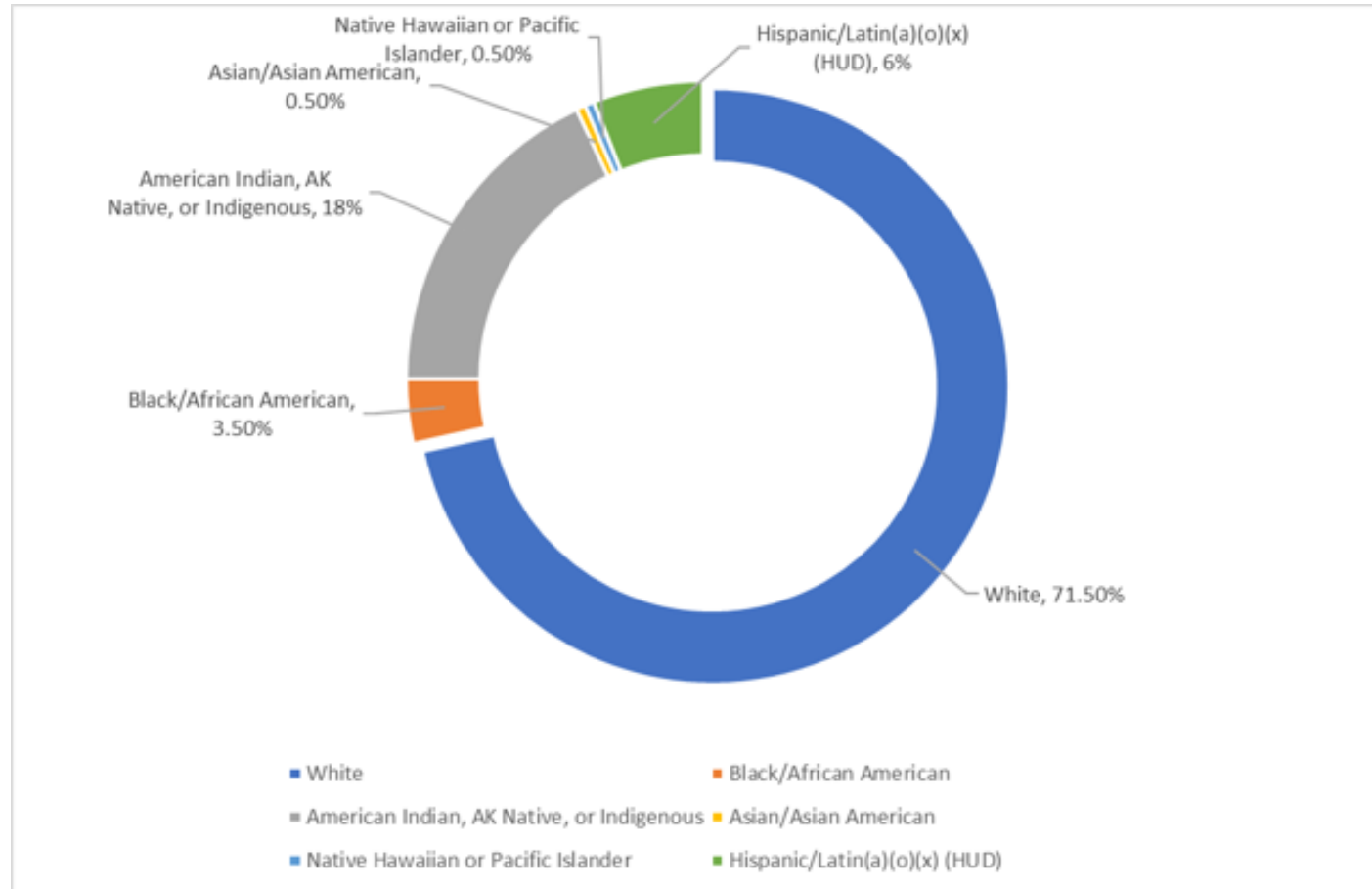
2022 Housing Landscape Assessment



Source: US Census Bureau, 2021

2022 Housing Landscape Assessment

Primary Race of Individuals Accessing MCEs, 2021



Source: Missoula Coordinated Entry System

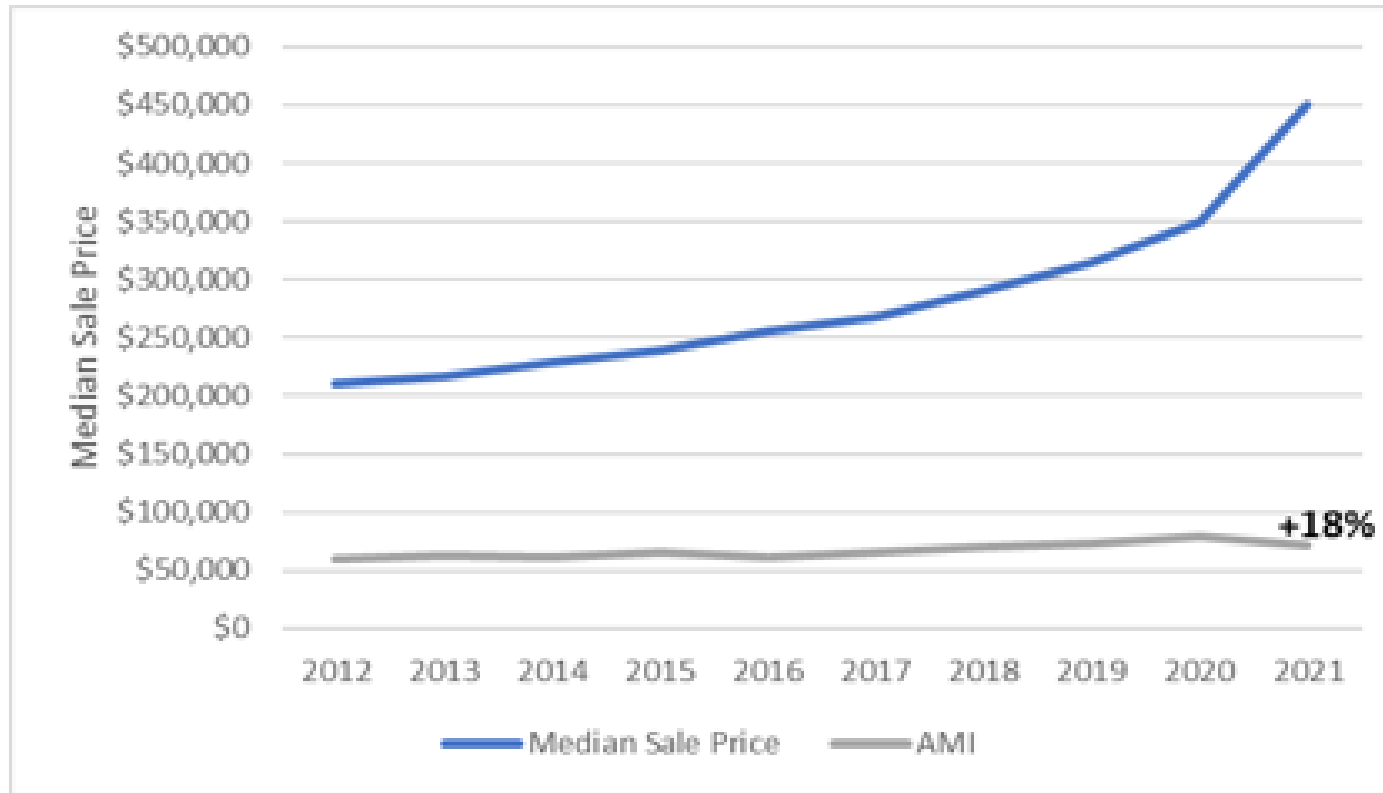
2022 Housing Landscape Assessment

Missoula Area Median Incomes (effective 7/1/22)						
AMI	Household Size					
	1	2	3	4	5	6
30%	\$17,150	\$19,600	\$22,050	\$24,500	\$26,500	\$28,450
50%	\$28,600	\$32,650	\$36,750	\$40,800	\$44,100	\$47,350
60%	\$34,320	\$39,180	\$44,100	\$48,960	\$52,920	\$56,820
80%	\$45,750	\$52,250	\$58,800	\$65,300	\$70,550	\$75,750
100%	\$57,200	\$65,300	\$73,500	\$81,600	\$88,200	\$94,700
120%	\$68,640	\$78,360	\$88,200	\$97,920	\$105,840	\$113,640

Source: <https://www.hudexchange.info/programs/home/home-income-limits/>

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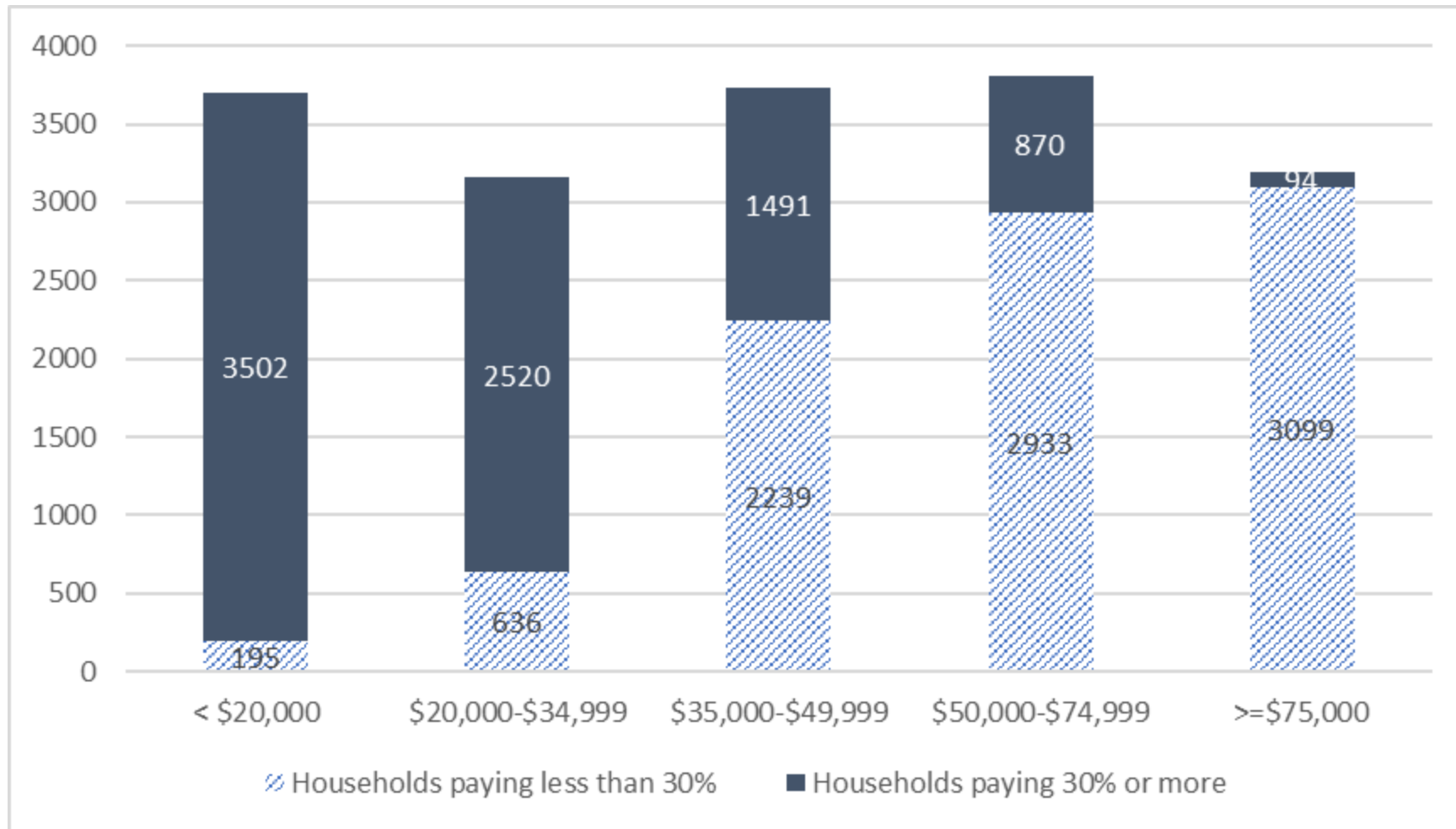
Comparison of Median Home Sale Price & Area Median Income Over Time



Source: Missoula Organization of Realtors, HUD User

2022 Housing Landscape Assessment

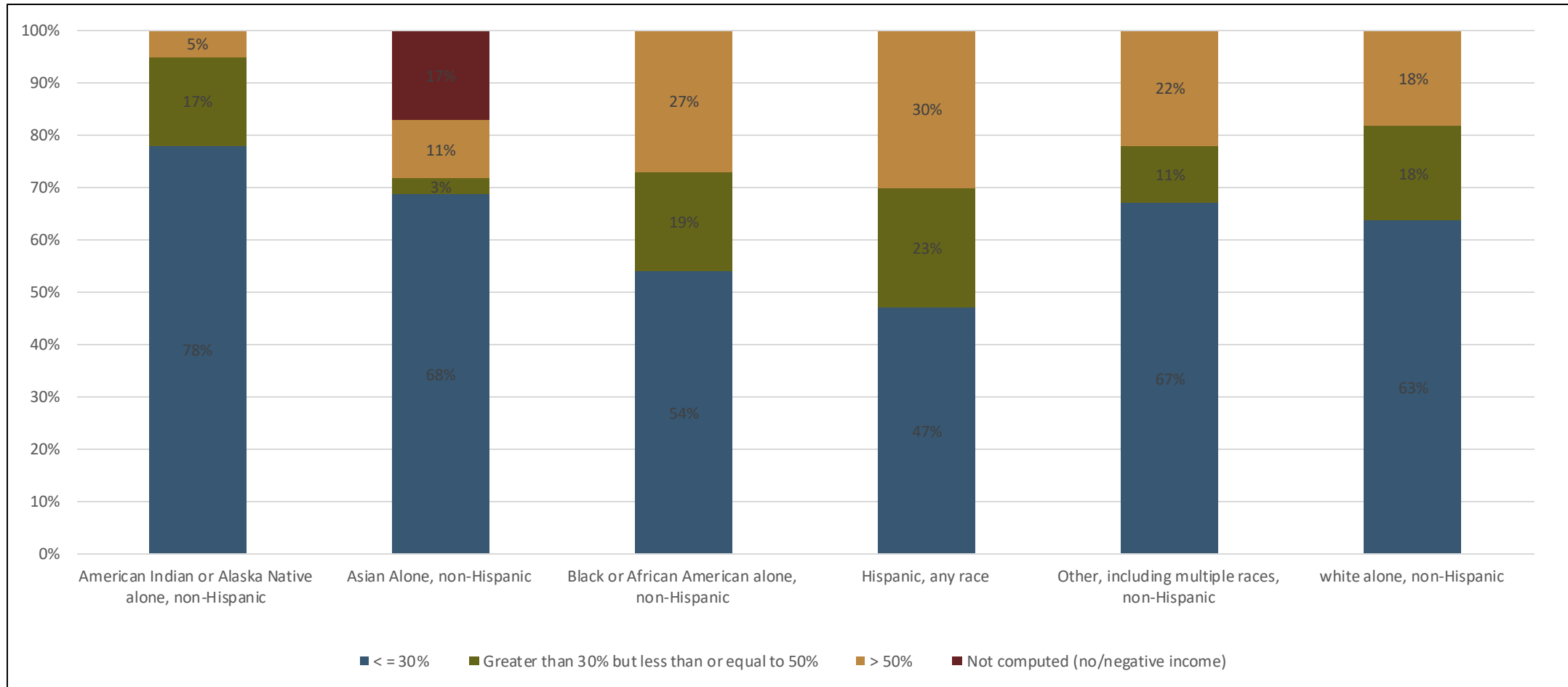
Figure 8– Renter Cost Burden in Missoula



Source: US Census Bureau, ACS 2021

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Household Cost Burden by Race and Ethnicity



Source: Comprehensive Housing Affordability Strategy (CHAS) 2013-2017

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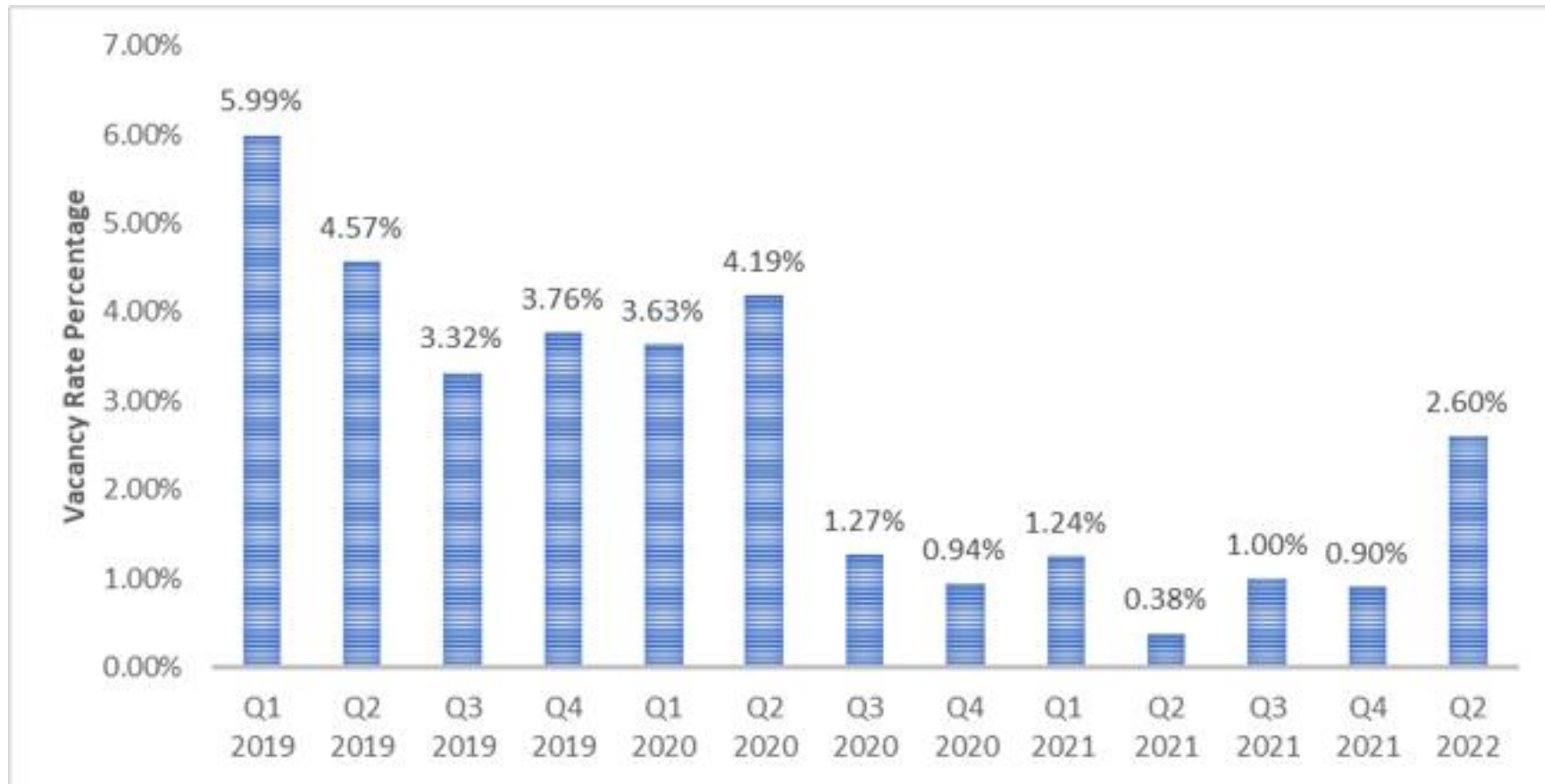
Affordable Monthly Rent at 30% of Income

Number of Persons in Household:				
% of Median	1	2	3	4
30%	\$429	\$490	\$576	\$694
50%	\$715	\$816	\$919	\$1,020
60%	\$858	\$980	\$1,103	\$1,224
80%	\$1,144	\$1,306	\$1,470	\$1,633
100%	\$1,430	\$1,633	\$1,838	\$2,040

Source: HUD User, 2021

2022 Housing Landscape Assessment

Rental Vacancy Rates in Missoula



Source: Sterling CRE Advisors

2022 Housing Landscape Assessment

Home Prices Affordable to Missoula Area Median Income (AMI) Levels

Number of Persons in Household				
	1	2	3	4
60% AMI	\$123,278	\$126,029	\$132,973	\$144,800
80% AMI	\$182,502	\$189,651	\$204,392	\$224,287
100% AMI	\$246,372	\$255,536	\$276,026	\$303,551
120% AMI	\$302,626	\$319,345	\$338,920	\$370,789

Source: HUD User, 2022

Missoula Urban Area Home Sales

Sales Price	2019	2020	2021
Under \$150,000	9	5	0
\$151,000-\$300,000	437	304	44
\$301,000-\$450,000	519	655	419
\$451,000-\$600,000	158	258	333
\$600,000+	72	150	311
Total	1,195	1,380	1,107
<=\$300,000	37%	23%	4%
>\$300,000	63%	77%	96%

Source: Missoula Organization of Realtors®

Background

- Designed to better understand the impacts and weight housing displacement has
- Deepen understanding of needs and opportunities for intervention
- Learn from residents about what they want and have identified will work for their situations
- Establish relationship and open communication lines
- Inform future policy and programmatic approaches

Track and analyze progress for continuous improvement

- Regularly assess progress and adjust goals

Align and leverage existing funding resources to support housing

- Establish an affordable housing trust fund
- Support new financing tools

Reduce barriers and promote access to affordable homes

- Incentivize affordable housing development
- Support housing consumers
- Promote infill through backyard homes

Partner to create and preserve affordable homes

- Preserve existing affordable housing
- Support affordable rental development
- Expand affordable homeownership options

Outreach Approach

- Community Listening Sessions hosted on Zoom on February 8, 2022, from 12-1:30pm and February 17, 2022, from 6-7:30pm.
- [Engage Missoula](#) page featuring, forum, a map tool and a housing displacement survey
- Population specific listening sessions & outreach
- Direct contact with Emily Harris-Shears if group setting was uncomfortable or not possible

Stakeholder Engagement

- Poverello Center (3/2/2022 & 3/15/2022)
- Missoula Coordinated Entry System Oversight Committee (4/5/2022)
- MontPIRG & ASUM (5/4/2022)
- International Rescue Committee (5/16/2022 & 5/26/2022)
- Welcome House/Missoula Alliance Church (6/22/2022)
- All Nations Health Center (6/23/2022)
- Missoula Aging Services (7/19/2022)
- Welcome Back (8/8/2022)
- Missoula Tenants Union leadership team (9/13/2022)
- The Center (9/29/2022)
- Missoula Housing Authority leadership team (10/12/2022)

Project Background



Legal & Legislative Context

- Preemptions in place; Montana Code Annotated
 - 7-1-111; Powers Denied
 - 70-24; The Residential Landlord and Tenant Act of 1977
- [Subsections \(1\) and \(13\) of 7-1-111, MCA](#) deny local government the authority to license or regulate the behaviors and activities of landlords regarding tenants beyond the provisions in Title 70, chapters [24](#) and [25](#). This preemption significantly limits the recommendations that staff can propose to address pressures and challenges experienced in the rental housing market.

Legal & Legislative Context

- Limits authority to introduce policies including but not limited to:
 - Source of income discrimination
 - Tenants First Right of Refusal
 - Structure to tenant selection and application process
 - Notice requirements
- Partnerships, opt-in and incentives are essential to supporting renters and changing the market

Economic Context

- Wages not keeping pace with housing
- Property tax increases and limited local power
- Lack of missing middle housing
- A decade of underbuilding locally & nationally
- Cost burden disproportionately impacting renters and households that are impacted by systemic racism

- Zoning code
- Rental market constraints
- Fair Housing
- Choice & Autonomy
- Voucher Holder experiences



Key Themes

Zoning Code

Themes

- Rigid code prohibiting flexibility and creativity in projects
- Desire for more density allowed in residential zones
- Remove restriction that limits income-restricted housing to specific zoning districts (incentives)

Rental Market Constraints

Themes

- Rents rising at renewal
- Utilizing temporary housing solutions as long-term answers due to cost and vacancy rate
- Risk of housing loss because of redevelopment
- Confusing evictions and non-renewal of lease
- Fear of retaliation leading to not asking for maintenance, safety and property support



Fair Housing Considerations

Federal Protected Classes:

- Race
- Color
- National Origin
- Religion
- Sex (gender identity & sexual orientation)
- Familial status
- Disability

Montana Protected Class Expansion:

- Marital Status
- Age

Fair Housing Considerations

Disparate Impact

- Policy or practice which is neutral on its face, but which disproportionately affects a group of people defined by one of the fair housing laws' protected characteristics

Reasonable Accommodations & Modifications

- A change, exception, or adjustment to a rule, policy, practice, or service that may be necessary for a person with disabilities to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces, or to fulfill their program obligations.

Fair Housing Considerations

Themes

- Denials based on source of income- SSDI and housing voucher
- Denials based on type of voucher
- Lack of credit or rental history impacting access for newly arrived refugee households
- Language discrimination
- Reasonable accommodations not being provided
- Limited understanding of rights- residents and housing organizations
- Disparate impact from neutral appearing policies and practices

Choice & Autonomy

Themes:

- Excessive, restrictive criteria
 - Threshold of earning 3x the rent is becoming a major barrier
 - Inflexible credit history criteria
 - Rigid legal history requirements limit the search pool
- Limited choice in housing selection
 - Mentality of taking whatever is available
- Feeling unwelcome in Neighborhood Councils by neighbors
 - Participation treated as transitional
 - Experiences of blaming renters for neighborhood challenges
- Opacity in application process
 - Application fee practices vary by company and can become prohibitive
 - Uncertainty about selection criteria and process



Voucher Background

- Tenant pays 30 percent of net income toward rent and the voucher covers the balance owed
- Guaranteed rent payment made by the housing authority
- Rent limits are set by US Department of Housing and Urban Development (HUD)- Fair Market Rent
- Initial housing search window is 90 days
 - Extensions can be granted for specific circumstances

Voucher Types

- Housing Choice Vouchers
 - Commonly known as Section 8
 - Available to households that earn at or below 50% of AMI
 - At least 75% of vouchers go to households earning at or below 30% AMI
- Permanent Supportive Housing
 - Issued to people who meet the definition of chronic homelessness
- Family Unification Program
 - Families and unaccompanied youth engaged in the child welfare system
- Veterans Affairs Supportive Housing (VASH)

Voucher Holder Experiences

Themes:

- Experience stigma during housing search
- Limited pool of property managers that accept vouchers
- Rental prices are exceeding Fair Market Value limits
- 90-day housing search period doesn't offer enough time in the current market to find housing
- Permanent Supportive Housing Vouchers apply additional rules and process that is challenging to navigate
 - Process for adding family members/roommates
 - Paperwork and rent amount limits

Project Review

Project Overview

- Deepen understanding of needs and opportunities for intervention
- [Engage Missoula](#) page featuring, forum, a map tool and a housing displacement survey
- Population specific outreach and listening sessions
 - Poverello Center (3/2/2022 & 3/15/2022)
 - Missoula Coordinated Entry System Oversight Committee (4/5/2022)
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Key Themes

- Zoning code
- Rental market constraints
- Fair Housing
- Choice & Autonomy
- Voucher Holder experiences

Rental Market Constraints

Recommendations & Actions

- Convene a working group of residents, housing partners, Missoula Housing Authority, The Missoula Tenants Union and other key stakeholders to identify solutions and develop plan
- Utilize the Affordable Housing Trust Fund to develop/expand and programming that supports renters



Zoning Code

Recommendations & Actions

- Actively participate in Our Missoula/Code Reform process
- Elevate community engagement opportunities
- Fully implement the Voluntary Incentives Program
- Reduce siloed work through DRT participation

Fair Housing Considerations

Recommendations & Actions

- Work with community organizations to host Fair Housing and Landlord Tenant trainings
- Develop/amplify community-wide education tools

Choice & Autonomy

Recommendations:

- Explore establishing a Housing Ombuds to support residents with concerns and resolution
 - Standardize processes for grievances, resolution and community education
- Establish a displacement fund to respond to emergency housing situations



Choice & Autonomy

Actions:

- Staff provide developers & owners with information to support residents facing displacement due to redevelopment
 - Add questions to intake forms to flag follow-up needed from Housing Policy staff
- Offer bonus points in the Unified Application round for projects that prevent displacement
- Office of Neighborhoods staff are doing targeted outreach and socializing the message that all residents are welcome



Voucher Holder Experiences

Recommendations & Actions:

- Staff met with MHA leadership team and board leadership to share themes
 - MHA developing new website- will alleviate duplicate paperwork
 - Hiring a marketing and outreach position to support community messaging
 - Clarified that PSH voucher holders can live with roommates if the additional members are added to the household
- Continue to strengthen relationship between CPDI and MHA
- Utilize housing policy to support MHA needs and activities

Conclusion

- Addressing both housing stock and experiential barriers are essential to systemic change
- Developing responsive programming that strengthens relationships between stakeholders
- Implementing A Place to Call Home means addressing displacement factors



Conversation