



Pathways to Removing
Obstacles to Housing
Funding Overview

Housing, Redevelopment &
Community Programs

October 4, 2023



Community Planning,
Development & Innovation:
Community Development

Emily Harris-Shears, Senior Housing
Policy Specialist

Agenda

Funding Overview

City Focus/Application Concept

Timeline

Questions/Comments

PRO Housing Overview

\$85M competitive grant funding for the identification and removal of barriers to affordable housing production and preservation

- \$1M award minimum, \$10M award maximum

Six-year period of performance (Est. 1/30/2024 - 9/30/2029)

Eligible applicants include:

- Local & state governments
- Metropolitan Planning Orgs
- Multijurisdictional entities

PRO Housing uses the Community Development Block Grant (CDBG) statutory and regulatory framework



Sound approaches to
knock down barriers
to affordable housing

A large orange circle on the left side of the slide, partially cut off by the edge.

Examples of Barriers to Address

- Zoning
 - Land use policies and/or regulations
 - Inefficient procedures
 - Gaps in available resources for development
 - Deteriorating or inadequate infrastructure
 - Lack of neighborhood amenities
 - Challenges to preserving existing housing stock
 - Natural hazards
 - Redevelopment pressures
 - Expiration of affordability requirements
- 
- A series of yellow dashed lines in the bottom right corner, forming a curved shape.

Activity Eligibility

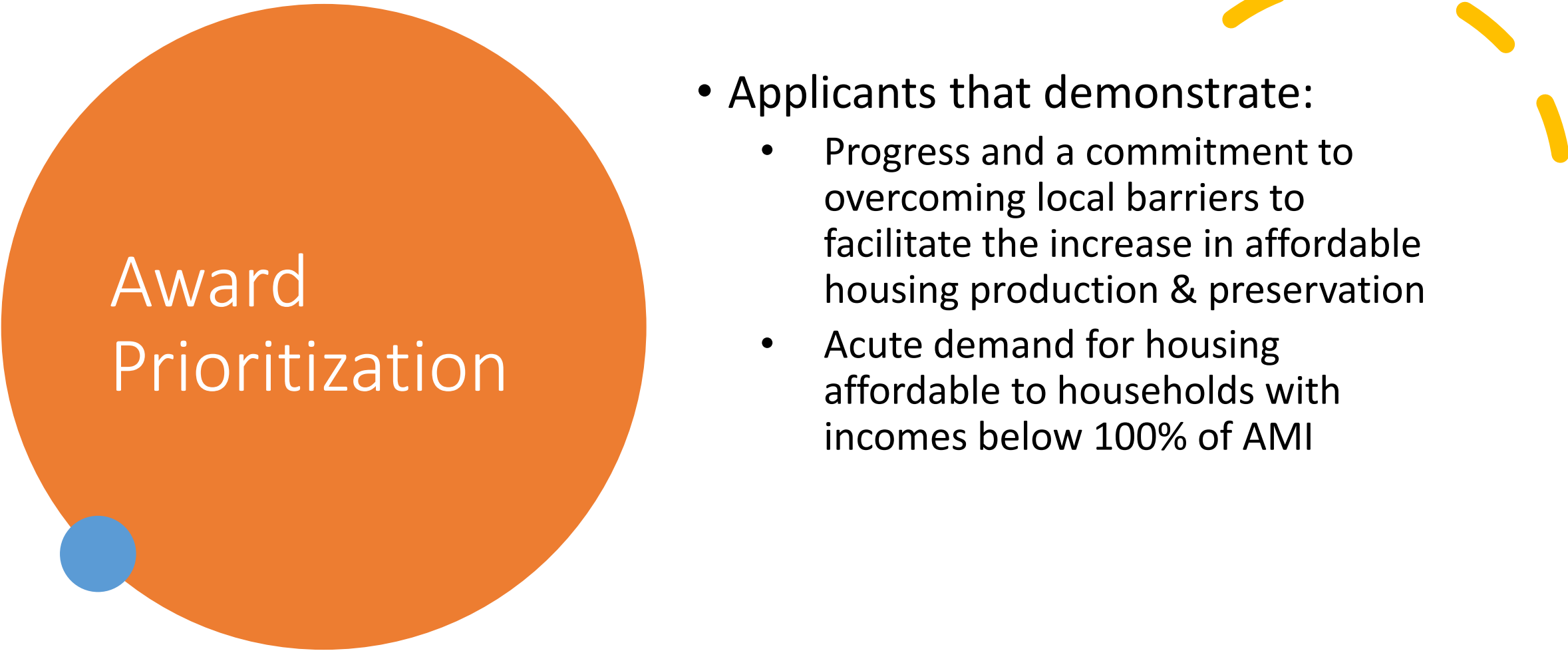
Eligible *(Including but not limited to)*

- Planning and Policy
- Development
- Infrastructure
- Preservation

Ineligible

- Activities that carry out regular responsibilities of the government
- **Downzoning** - an activity that results in a net decrease in allowable or actual housing





Award Prioritization

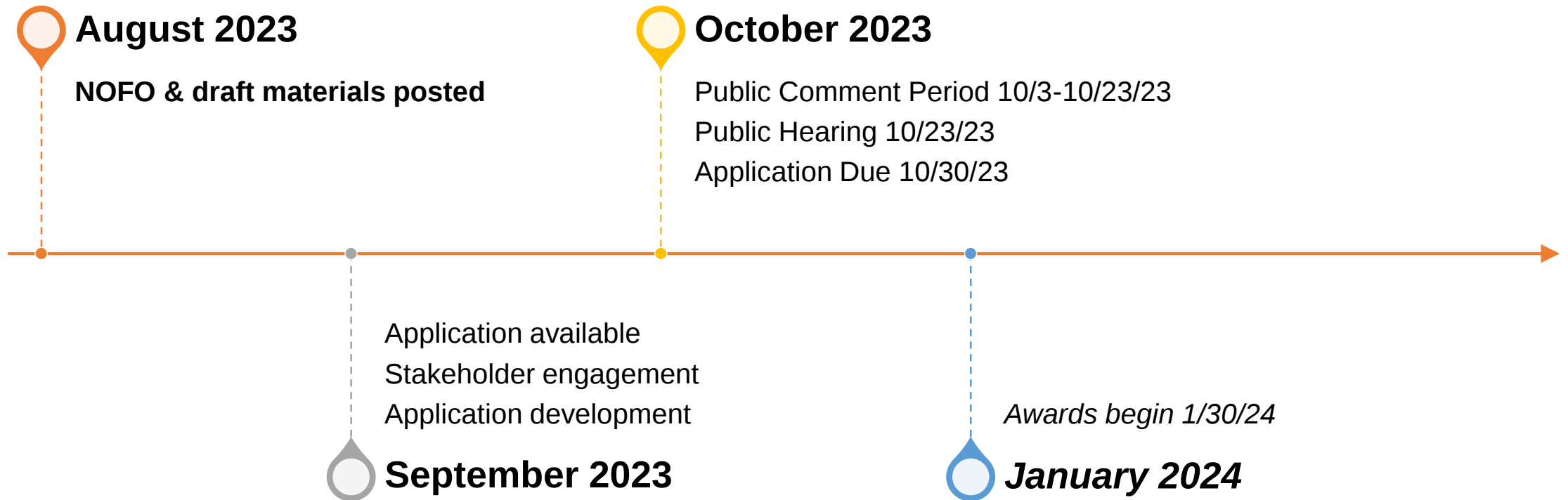
- Applicants that demonstrate:
 - Progress and a commitment to overcoming local barriers to facilitate the increase in affordable housing production & preservation
 - Acute demand for housing affordable to households with incomes below 100% of AMI



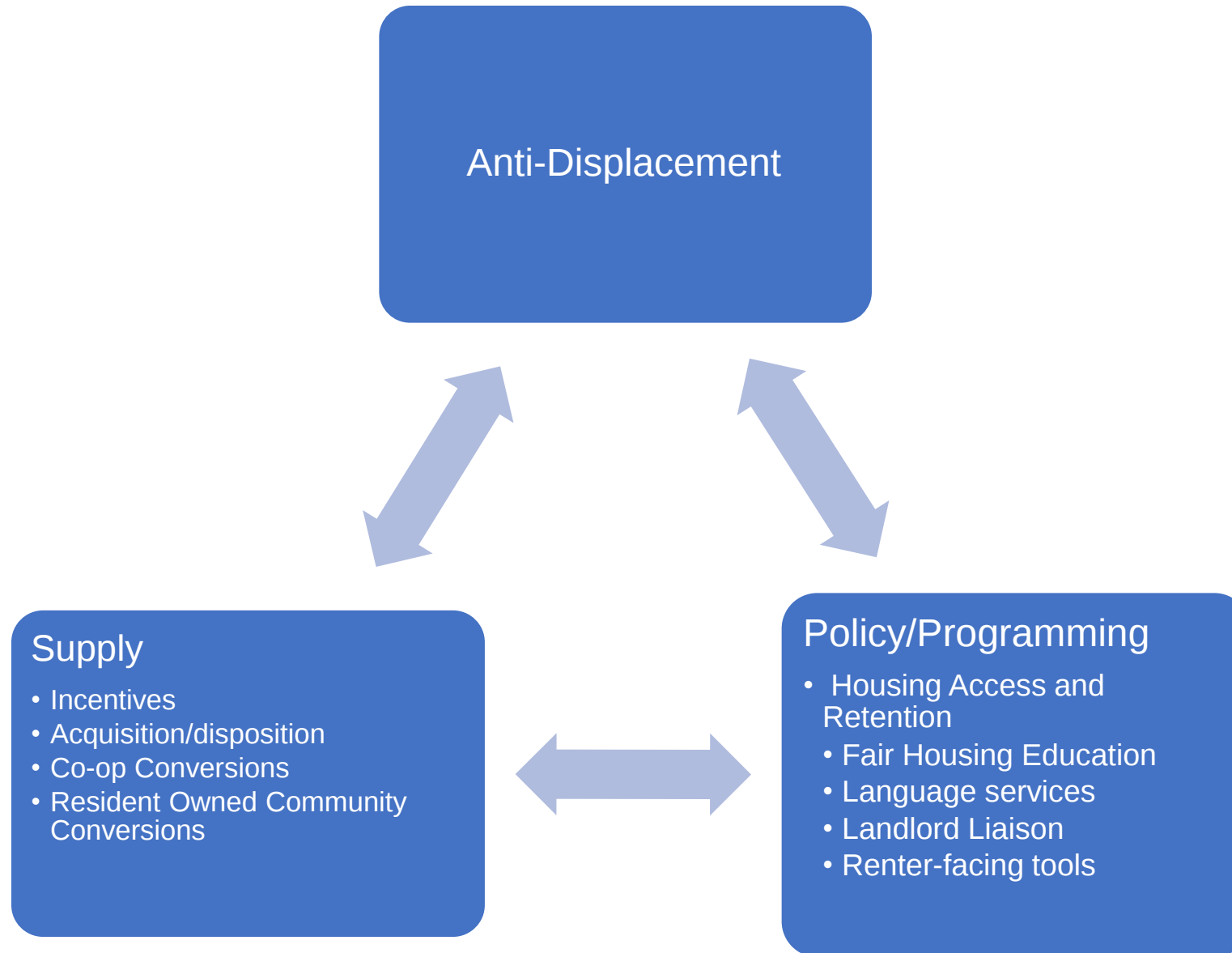
CDBG National Objective Alignment

- Benefit people with low and moderate incomes
 - Prevent or eliminate slums or blight
 - Meet other community development needs that have a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs
- 

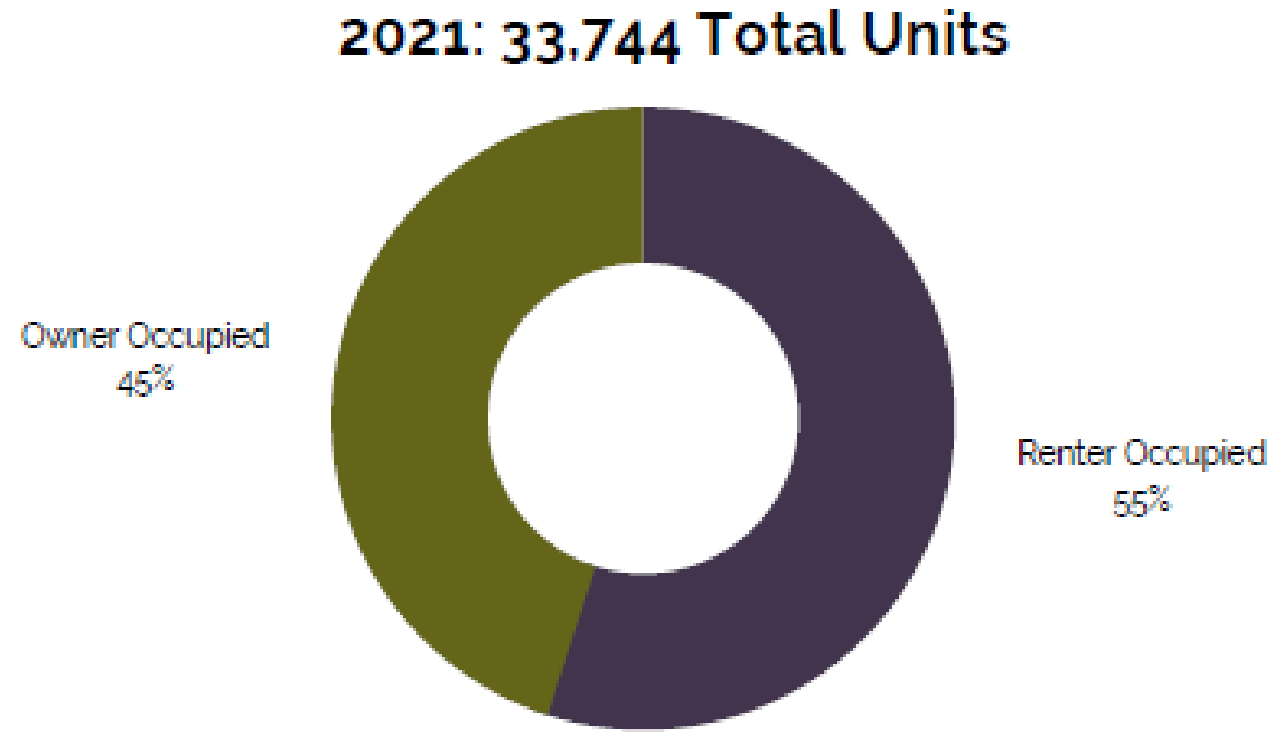
Application Timeline



City Application Focus



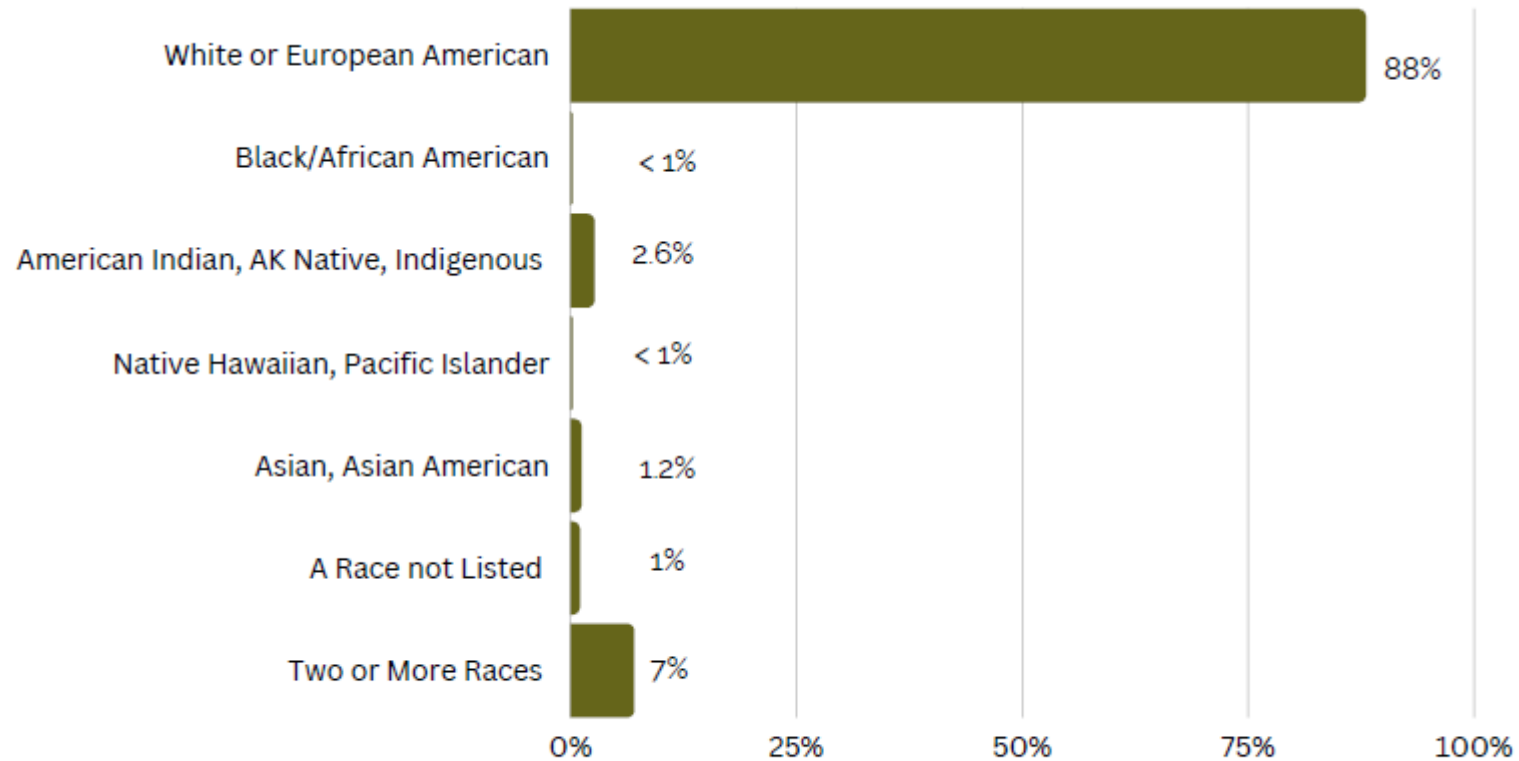
Understanding Local Need



Source: US Census Bureau, 2021

Understanding Local Need

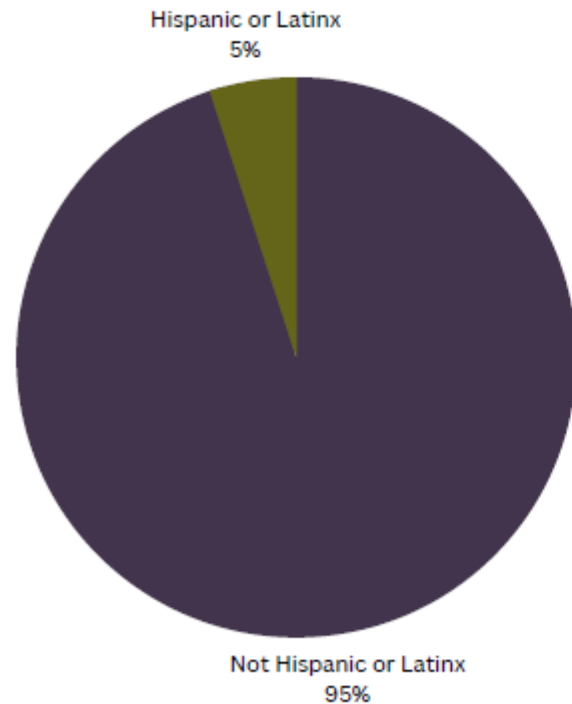
Missoula Population by Race



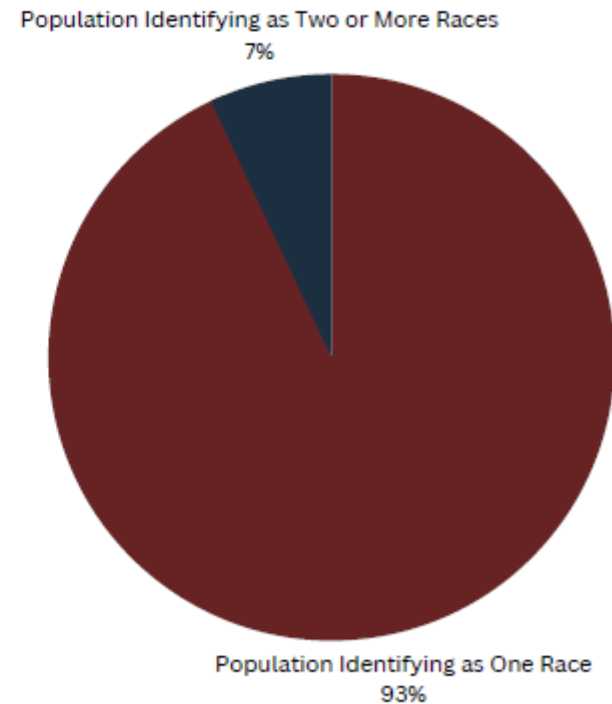
Source: US Census Bureau, 2022

Understanding Local Need

Population by Ethnicity in Missoula



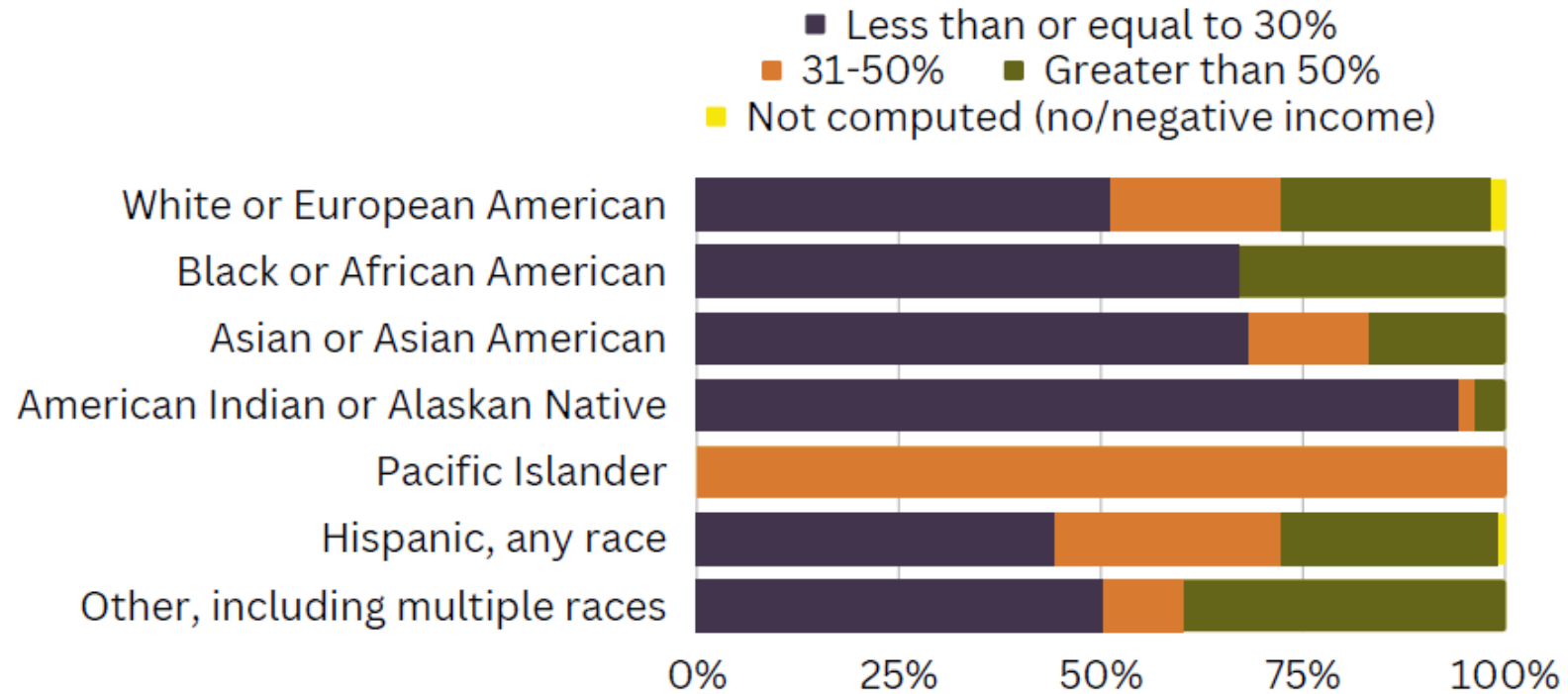
Racial Identity



Source: US Census Bureau, 2022

Understanding Local Need

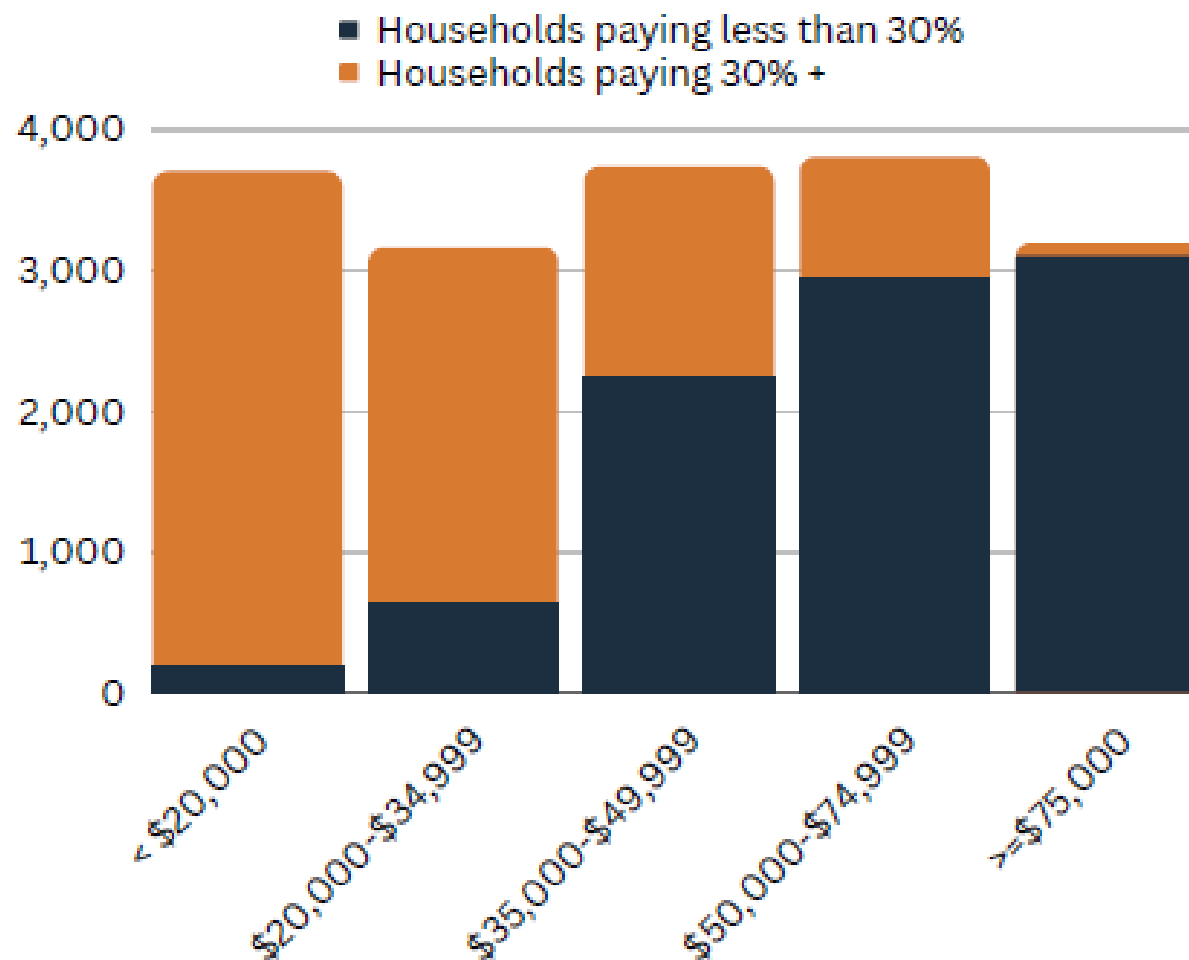
Household Cost Burden by Race and Ethnicity



Source: Comprehensive Housing Affordability Strategy (CHAS) 2015 - 2019

Understanding Local Need

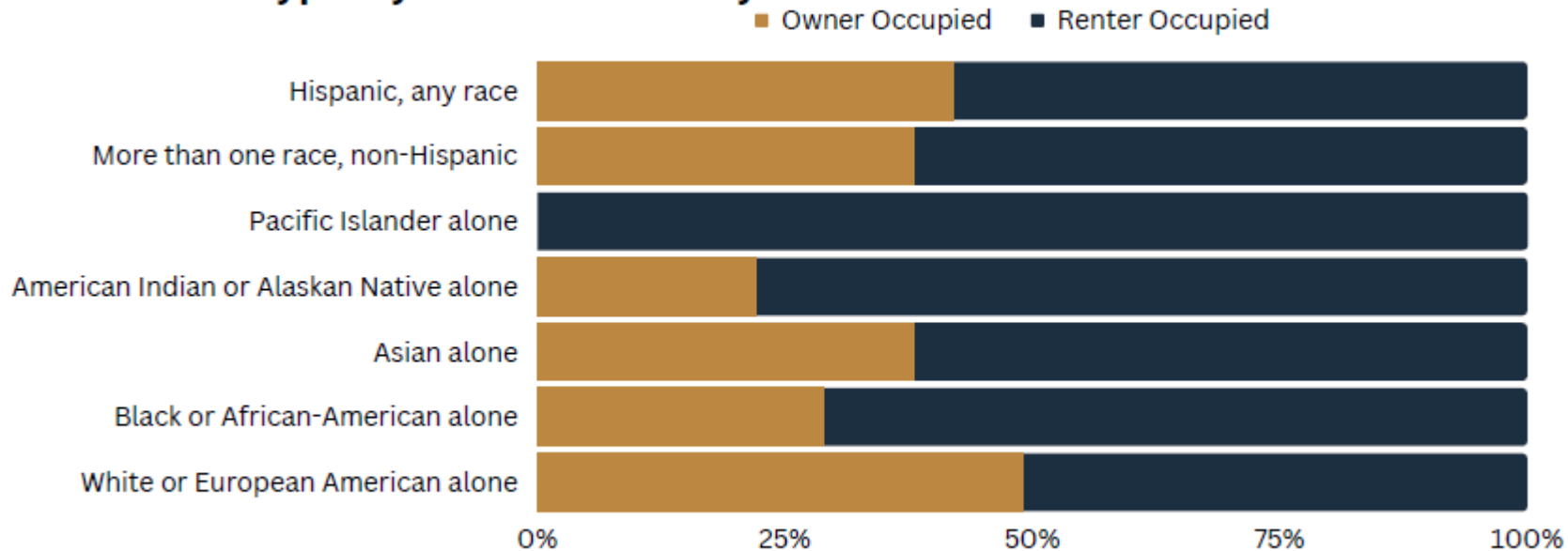
Renter Cost Burden



Source: US Census Bureau, ACS 2021

Understanding Local Need

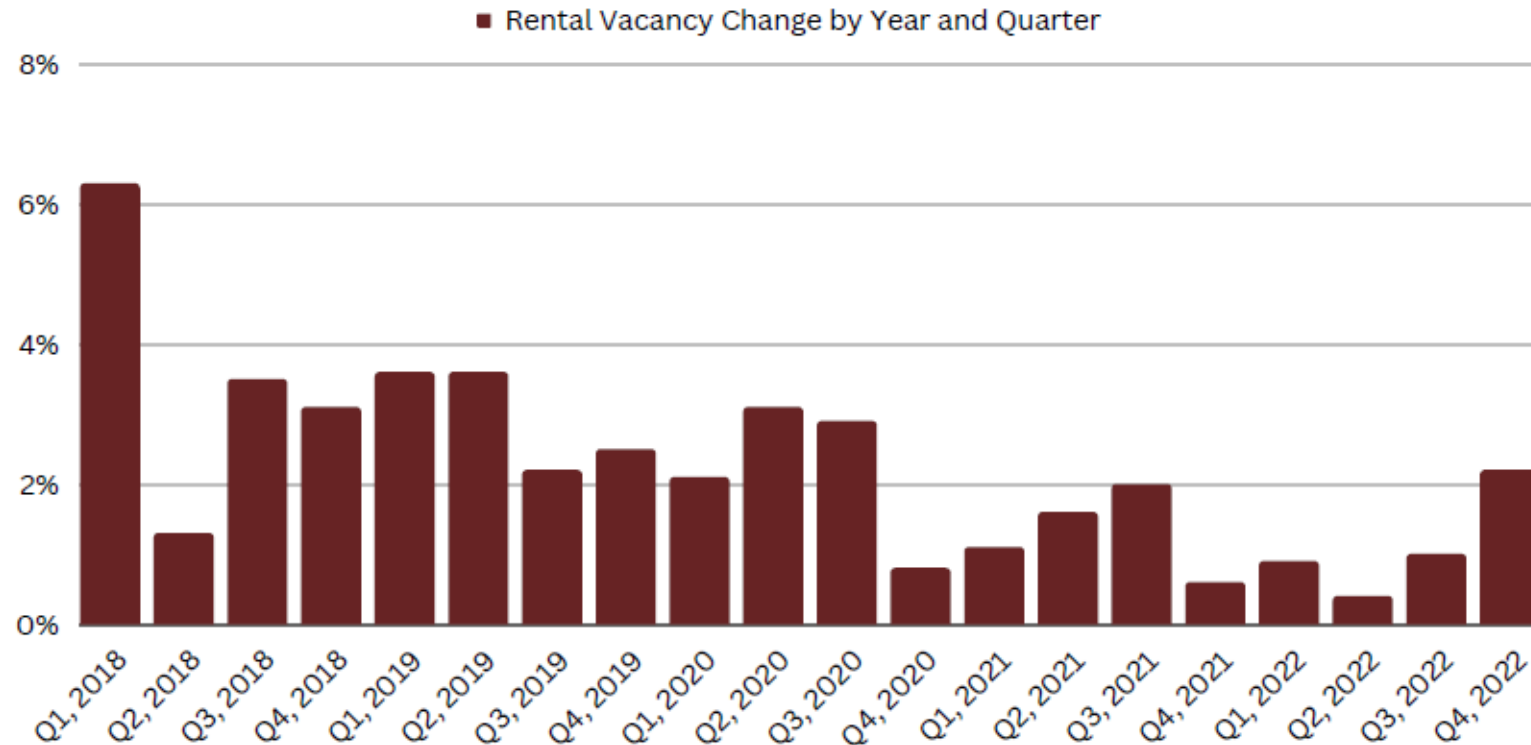
Household Type by Race & Ethnicity



Source: Comprehensive Housing Affordability Strategy (CHAS) 2015 - 2019

Understanding Local Need

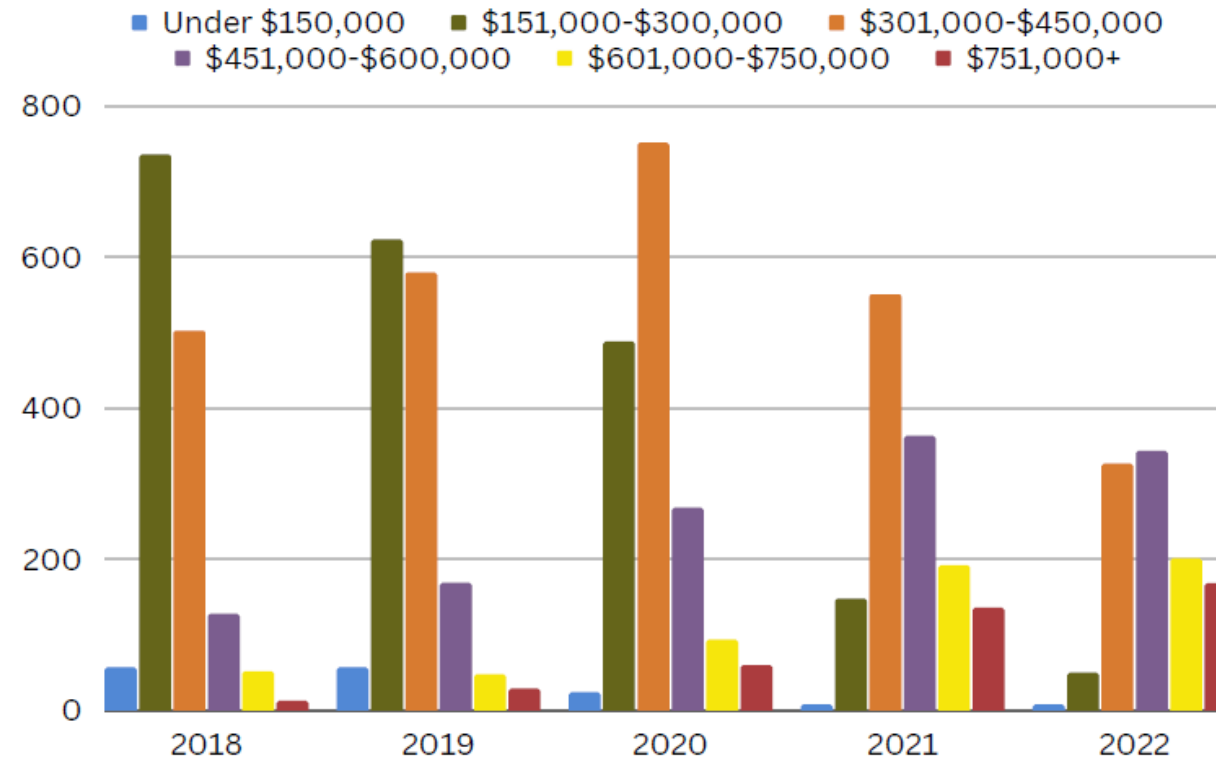
Missoula Rental Vacancy Rate



Source: Sterling CRE Advisors

Understanding Local Need

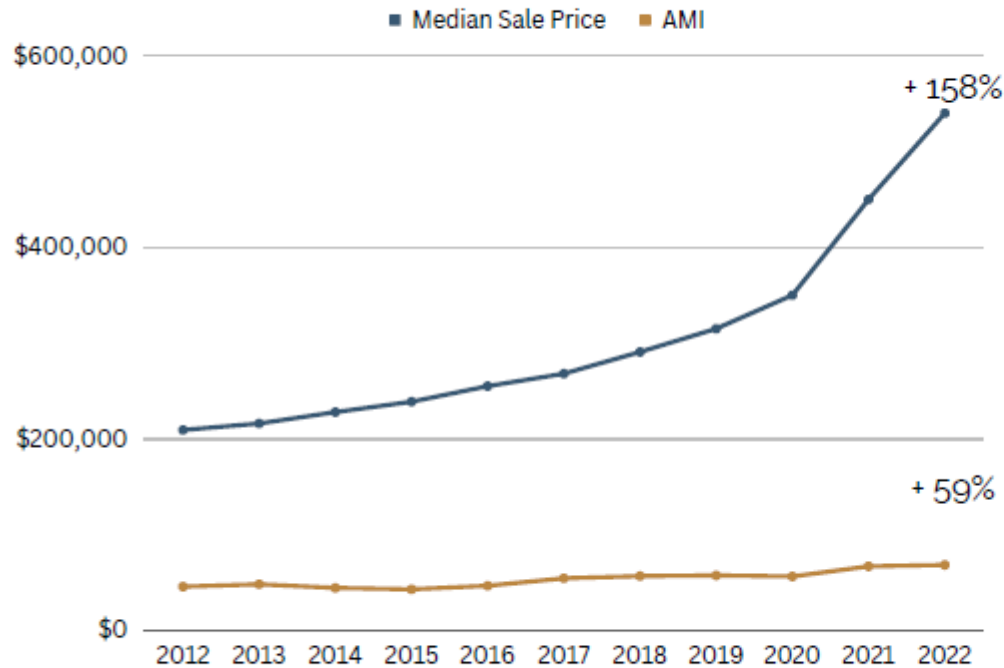
Missoula Urban Area Home Sales by Price



Source: Missoula Organization of Realtors®

Understanding Local Need

Home Price Compared to Area Median Income (AMI) Over Time



Wages have not kept pace with housing prices. Over the last ten years, housing prices have increased 158% while median income has only increased by 59%.

Source: Missoula Organization of Realtors, US Census Bureau, ACS 2022

Barrier Focus: Preventing Displacement

- Planning/Programming:
 - Redevelopment pressures impacting residents with low/moderate incomes
 - Resident identified need for landlord engagement and education in the 2022 Displacement Memo
 - Racial disproportionality in experiences of houselessness, homeownership and cost burden
 - 2023 - IRC requested pause on new arrivals due to acute housing shortage
 - Fair Housing education needs, and pervasive issues identified
 - Newly arriving/arrived residents
 - People experiencing systemic racism
 - People with disabilities
 - People experiencing houselessness

Barrier Focus: Preventing Displacement

- Supply:
 - Legislative/legal context- preemptions impact policy we can enact
 - The AHTF has created a foundation for funding innovative solutions like co-ops and supporting prevention, but need more funding to protect existing stock and acquire new supply
 - Need funding to test incentive approaches to engage public sector owners/developers
 - Staff and partners completed budget exercise to forecast projects and need

Proposed Strategies: Programming

1. Landlord/Tenant Liaison Program

- Incentivize voucher preference/acceptance
- Application process transparency
- Mediating/resolving conflict

2. Barrier Reductions and Housing Strategies for Systemically Impacted Households

- Landlord-facing education
- Fair Housing education
- Language access
- Resident-facing education

Proposed Strategies: Supply

1. Strengthening Land Acquisition/Disposition Approaches
 - Build on Land Banking strategy
 - Create structure and utilize existing methods to fairly acquire/dispose of land
2. Hybrid Community Land Trust/Cooperative Conversions
 - Build/scale model
 - Engage owners and residents in solutions
3. Resident Owned Community Conversions
 - Dedicated funding to preserve and protect use of mobile home communities
4. Creation of an Expiring Preservation Fund
 - Protect federal and local investments
 - Renew Periods of Affordability
 - Ensure livability and habitability with upgrades and improvements



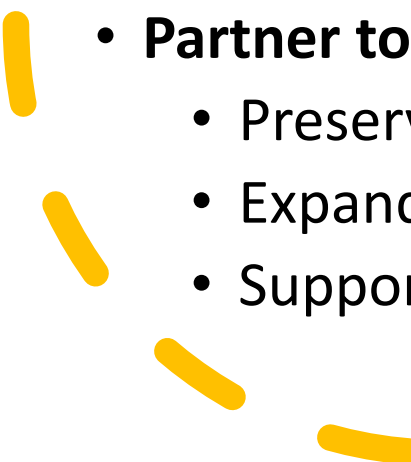
Alignment to City Priorities

- Justice, Equity, Diversity & Inclusion (JEDI) resolution- Resolution number 8533; adopted August 16, 2021
- City of Missoula Strategic Plan 2020-2023
 - **Economic Health**
 - Redevelop underused city owned properties in City ownership
 - Identify under-used private lands and incentivize redevelopment
 - **Community Design & Livability**
 - Adaptive reuse promotion/preservation
 - **Safety & Wellness**
 - Create programs, facilities and spaces that promote equity



Alignment to City Priorities

A Place to Call Home

- **Align & leverage existing funding resources to support housing**
 - **Reduce barriers to new supply and promote access to affordable homes**
 - Support housing consumers
 - Incentivize affordable development
 - **Partner to create and preserve affordable housing**
 - Preserve existing affordable housing
 - Expand affordable ownership options
 - Support affordable rental development
- 

Project Budget

Landlord Liaison Program	Housing Strategies for Households Impacted by Systemic Racism	Land Acquisitions	Hybrid Community Land Trust /Cooperative Conversions	Resident Owned Community Conversions	Expiring Preservation Fund	Admin & Personnel
•\$1,000,000	•\$1,000,000	•\$2,500,000	•\$1,500,000	•\$1,500,000	•\$2,174,499	•\$325,501

Project Leverage



\$1,000,000 - MRA PROJECT
ALIGNMENT TO HOUSING
POLICY



\$1,500,000 - SALE OF CITY
OWNED LAND

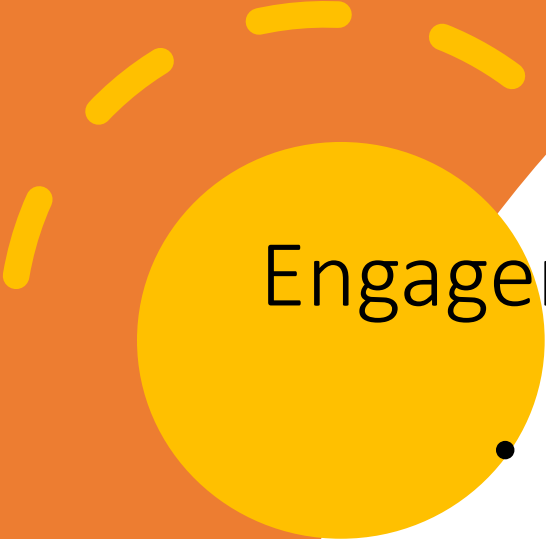


\$181,719 – 40% OF FTE
COMMITMENT OF SENIOR
HOUSING POLICY SPECIALIST



\$2,418,624 – MATCH FROM
AFFORDABLE HOUSING TRUST
FUND AWARDS

\$5,100,343 in total leverage



Engagement Opportunities

- Non-profit stakeholders meeting 9/8/23
- HRCP 10/4/23
- Affordable Housing Resident Oversight Committee discussion 10/10/23 6pm
- Public Hearing 10/23/23 6pm
- [Engage Missoula](#)



Stay Engaged

- [A Place to Call Home: Engage Missoula](#)
- **Emily Harris-Shears**, Harris-shearse@ci.missoula.mt.us,
406.552.6394



Recommended Motion

Set a public hearing for Monday, October 23, 2023, to provide the public with opportunity to comment on the Pathways to Removing Obstacles to Housing (PRO Housing) grant application.