

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

DRAFT

February 28, 2024

1:35 PM

Council Chambers (in person) or TEAMS (virtually)

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

Members present: Stacie Anderson, Mirtha Becerra, Bob Campbell, Daniel Carlino, Sierra Farmer, Gwen Jones, Kristen Jordan, Eric Melson, Mike Nugent, Jennifer Savage, Amber Sherrill, Sandra Vasecka

1. ADMINISTRATIVE BUSINESS

Due to technical difficulties, the meeting was called to order at 1:51 p.m.

1.1 Roll Call

Rhea Sanders called the roll.

1.2 Approval of the Minutes

1.2.1 Approval of the Minutes from 14 February 2024

The minutes were approved as submitted.

2. PUBLIC COMMENT

There was no public comment.

3. COMMITTEE BUSINESS

3.1 Referral - Resolution of Intention to Bond for the Scott Street Ravara Project

Mayor Davis introduced the item, providing a brief history regarding the property, the Scott Street neighborhood, and the Scott Street Ravara project. She touched upon the complexities of the project and the many partners that came together to make it possible. She encouraged the council's support of the project.

John Adams, the Strategic Projects Administrator for the City of Missoula described the core administrative team as well as others throughout the City that were integral in moving the project forward. He highlighted the project outcomes, noting this was the first application of the MRA Workforce Housing Program. He outlined the City components, reiterated the interconnectivity of the key project components, and the process leading up to this point.

Annie Gorski, the Deputy Director of the MRA and Ellen Buchanan, the Director of the MRA highlighted the resolution of intention including MRA Board and council actions that made this project viable. They outlined the funding breakdown and how the project aligns with the City Strategic Plan.

Items 3.1 and 3.2, along with the associated motions were presented, discussed and voted on concurrently. Please see item 3.2 for continued presentations, discussions, and motions regarding the Scott Street Ravara and Workforce Housing project. For more information, please watch the attached video.

Moved by: Mike Nugent

Approve a Resolution Approving the Ravara Project and Infrastructure Improvements as Urban Renewal Projects for the North Reserve-Scott Street Urban Renewal District; Making Findings with Respect Thereto; and Declaring the Intention of the City to use Tax Increment Revenues or Tax Increment Revenue Bonds to Pay, Reimburse, or Finance Eligible Costs Thereof.

AYES: (11): Stacie Anderson, Mirtha Becerra, Bob Campbell, Daniel Carlino, Sierra Farmer, Gwen Jones, Kristen Jordan, Eric Melson, Mike Nugent, Jennifer Savage, and Amber Sherrill

ABSENT: (1): Sandra Vasecka

Vote results: Approved (11 to 0)

3.2 Scott Street Workforce Housing Project Agreements

Consideration of the Development Agreement, loan agreement, disposal of City-owned property and other steps necessary to commence construction on the Scott Street Workforce Housing Project.

John Adams continued his presentation outlining the overall structure and city investments regarding the Scott Street Property construction financing. He detailed the council actions for consideration including the Donation Agreement, the Collateral Agreement, the Development Agreement, the Purchase and Sale Agreement, the Sale Proceeds and Loan Agreement, the Dedication of Sale Proceeds, the City Construction Loan to Ravara, and the MRA Resolution of Intention. Please see the attached video for further information.

Mr. Adams highlighted and thanked the many partnerships involved in the process. He remarked on the precedence and significance of the project as well as the projected outcomes including neighborhood amenities, foundational infrastructure, moderately priced housing units, and income qualified housing. Mr. Adams introduced Kiah Hochstetler with Ravara Development and Joe Westenberg with First Security Bank commented on the timeline, the positive relationships, the resources, the knowledge, and the challenges faced throughout the process to bring the project to fruition. Mr. Hochstetler mentioned that the culmination of this process would establish a template for future projects of this nature.

The committee questioned the following:

- The Urban Renewal extension
- The workforce housing price range compared to the market rate housing range

- Maintaining affordability throughout the construction process, the potential difference this could create and the possible cost controls in place to address this concern
- The childcare space
- The timeline of the replacement of White Pine Park and the potential for expansion

Councilman Nugent made the recommended motions.

There was no public comment.

A member of the committee commented on the use of TIF funds. Many Committee members spoke in support of the project.

Moved by: Mike Nugent

A Resolution authorizing the donation of a portion of the Scott Street Parcel and authorizing the use of another adjacent portion of the Scott Street Parcel as security for the construction financing for a public-private partnership to build a residential construction project incorporating workforce housing on the donated portion of the Scott Street Parcel.

AYES: (11): Stacie Anderson, Mirtha Becerra, Bob Campbell, Daniel Carlino, Sierra Farmer, Gwen Jones, Kristen Jordan, Eric Melson, Mike Nugent, Jennifer Savage, and Amber Sherrill

ABSENT: (1): Sandra Vasecka

Vote results: Approved (11 to 0)

Moved by: Mike Nugent

That Council approve and direct the Mayor to execute the Development Agreement relative to Tract 2, Scott Street Lots, Lot 3, between the City and Ravara Development, LLC, presented here as Exhibit B to the Donation Agreement, memorializing the Parties' respective rights and obligations concerning Tract 2, and for certain covenants and obligations to run with the land, including, among other things, an activity space easement for the use of a portion of Tract 3, Scott Street Lots, Lot 3, by the residents of the Tract 2.

AYES: (11): Stacie Anderson, Mirtha Becerra, Bob Campbell, Daniel Carlino, Sierra Farmer, Gwen Jones, Kristen Jordan, Eric Melson, Mike Nugent, Jennifer Savage, and Amber Sherrill

ABSENT: (1): Sandra Vasecka

Vote results: Approved (11 to 0)

Moved by: Mike Nugent

That Council affirm that the Amended and Restated Purchase and Sale Agreement for Tract 3, Scott Street Lots, Lot 3, between the City and Scott Street Parcel, LLC, for the purchase price of \$1,640,818, together with the "Repurchase Agreement," conforms to Council's intent and direction articulated in Resolution 8496.

AYES: (11): Stacie Anderson, Mirtha Becerra, Bob Campbell, Daniel Carlino, Sierra Farmer, Gwen Jones, Kristen Jordan, Eric Melson, Mike Nugent, Jennifer Savage, and Amber Sherrill

ABSENT: (1): Sandra Vasecka

Vote results: Approved (11 to 0)

Moved by: Mike Nugent

That Council approve the utilization of the proceeds from the execution of that aforementioned Purchase and Sale Agreement to fund a construction loan dedicated to the development of housing on the Community Land Trust parcel identified in Resolution 8496, notwithstanding Municipal Code 3.24.040(C) directing revenue from the sale of City land and assets to the City's Affordable Housing Trust Fund.

AYES: (11): Stacie Anderson, Mirtha Becerra, Bob Campbell, Daniel Carlino, Sierra Farmer, Gwen Jones, Kristen Jordan, Eric Melson, Mike Nugent, Jennifer Savage, and Amber Sherrill

ABSENT: (1): Sandra Vasecka

Vote results: Approved (11 to 0)

Moved by: Mike Nugent

That Council approve and direct the Mayor to negotiate and execute a loan agreement between City of Missoula and Ravara Development, LLC, to fund construction of housing on Tract 2, Scott Street Lots, Lot 3, in approximately the form shown in the attached Exhibit, together with any documents or agreements necessary with First Security Bank to integrate administration of the City loan into the overall construction financing portion of the project, subordinate the loan as agreed between the City and First Security Bank, and affirm that final loan repayments, upon completion of the project, should be used to create additional income qualified units or be directed to the City's Affordable Housing Trust Fund.

AYES: (11): Stacie Anderson, Mirtha Becerra, Bob Campbell, Daniel Carlino, Sierra Farmer, Gwen Jones, Kristen Jordan, Eric Melson, Mike Nugent, Jennifer Savage, and Amber Sherrill

ABSTAIN: (1): Sandra Vasecka

Vote results: Approved (11 to 0)

4. ADJOURNMENT

The meeting was adjourned at 3:37 p.m.